THE EMPIRE CLUB

ADDRESSES 1979-1980

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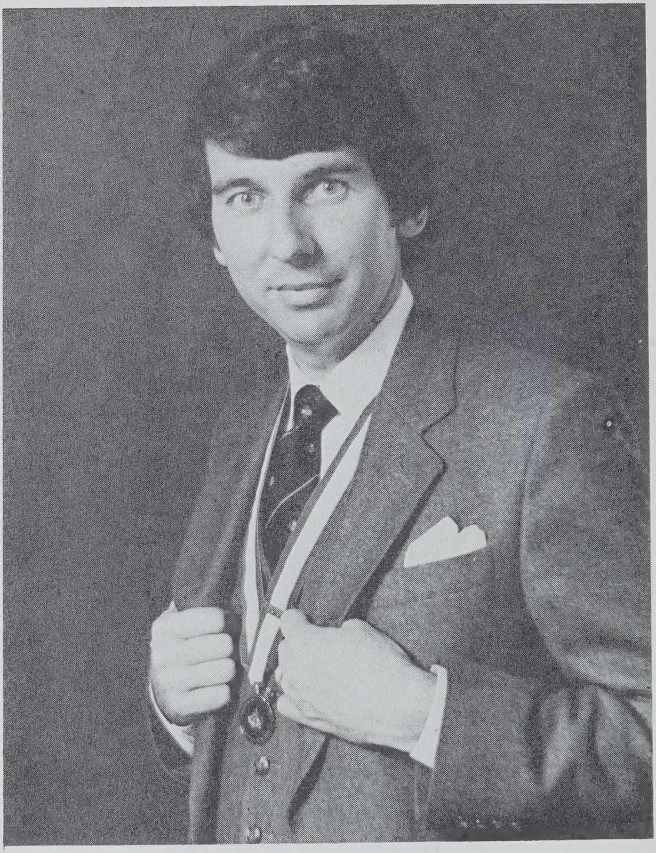
The Empire Club of Canada
1979-1980



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JOHN A. MACNAUGHTON
PRESIDENT, 1979-1980

ADDRESSES 1979-1980

The Empire Club of Canada

SEVENTY-SEVENTH YEAR

GOD SAVE THE QUEEN

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Preface

During my term of office as President of the Empire Club, comments by two acquaintances served to demonstrate that the purposes and reputation of our organization continue to be served by our program and format.

The first comment was from a field producer who documents public affairs for a national television network. He said that he was always pleased to be assigned to our meetings because "the Empire Club is the one forum in Canada where public speaking is still regarded as an art form." A prominent journalist from the press gallery in Ottawa who has visited Toronto many times to cover addresses by our nation's leaders was the author of the second comment. He observed that, in his experience, individuals "invariably make the best speeches of their careers at the Empire Club."

That these comments could be made means, at least in the view of two knowledgeable commentators, that the Empire Club continues to be what its officers, directors and members want it to be: namely, a forum that not only has the ability to attract outstanding men and women who speak with authority on the issues of the day but also one that through its respect for oratory is able to draw their best from them.

A speaker's club, particularly one with a name like the Empire Club, may seem an anachronism in an era characterized by an information revolution. At a time when we are surrounded by radio and television, by data processing and word processing, when the condensation of information and ideas is seen as essential to continued progress, the Empire Club perpetuates almost unaltered its 76-year-old tradition of providing its speakers with a lectern, an audience and thirty minutes to present their messages.

As the publication of this yearbook recording another successful season demonstrates, our club is flourishing. The thanks for our success goes jointly to our membership which has high standards in what it expects from speakers and, more importantly, to our speakers whose insights, careful preparation and skilful delivery combine in addresses that rarely, if ever, disappoint.

John A. MacNaughton
President, 1979-1980

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MAY 11, 1979

The Choice for Canada

AN ADDRESS BY Ed Broadbent,
LEADER OF THE NEW DEMOCRATIC PARTY OF CANADA

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: Welcome to the first meeting of the seventy-sixth season of The Empire Club of Canada. Not only is this our first gathering of the new year, it is also a special meeting that has been scheduled in order to hear from the Leader of the New Democratic Party, during our current general election campaign.

I should tell members of the club that the day after the writ of election was issued we contacted the offices of Mr. Broadbent and Mr. Trudeau offering to arrange special events for them. Mr. Clark had been scheduled many months earlier to address us during our regular season on a date that, as it turned out, coincided with the election period.

Our hope was that the Empire Club could score its first election hat trick: addresses by all three national party leaders during the course of an election campaign.

Mr. Broadbent's staff replied to our invitation immediately and affirmatively and proposed today, May 11. Subsequent to confirming that date with Mr. Broadbent, Mr. Trudeau's staff indicated through our Past President, Joe Potts, that they too would like to accept our invitation and that the date they had in mind was May 11.

The overlapping of calendars was unfortunate for the Empire Club which lost an opportunity to hear from Mr. Trudeau. It was also unfortunate for the Liberal Party of Canada because, in the absence of the forum that we might have provided, they were obliged to make their own arrangements — for a rock concert at Maple Leaf Gardens. Our crowd may be slightly smaller today, Mr. Broadbent, but at least, sir, you may be pleased to know that unlike many of those at the rock concert, everyone here is of voting age.

Mr. Broadbent is one of those guests who comes to us well-known and for whom a recitation of a curriculum vitae is unnecessary. As leader of his party and as Member of Parliament for Oshawa-Whitby, John Edward Broadbent receives a great deal of media attention; he is a familiar figure to members of this club and to Canadians from coast to coast.

Two aspects of Mr. Broadbent's background are interesting for the lack of emphasis they have received in newspaper articles or New Democratic Party literature.

The first is that Mr. Broadbent is a native son of Ontario. While his opponents are often perceived and promoted as being in close communion with the soul of the nation by virtue of their origins: a Québécois who lives and feels the duality of Canada or an Albertan who understands the pioneer spirit of the country, little is made of the fact that Mr. Broadbent is an Ontarian.

One can only conclude that either there is no electoral mileage in coming from Ontario, or that Mr. Broadbent is perceived, not as a representative of a regional mentality, but as a Canadian in the broadest and best sense of the word.

Another item in his official biography often overlooked in commentaries is that Ed Broadbent has earned his doctorate in political science and taught that discipline for three years at York University during its early days. In 1968 Dr. Broadbent decided to abandon the world of contemplating politics for the role of an active participant.

In entering the lists of partisan politicians he opened himself to all the wisecracks that go with the pursuit of public office. Among these is the simplistic stereotyping of partisans of various colours.

For example, in dismissing both Conservatives and Liberals, Ambrose Bierce once observed that a Conservative is "a statesman enamoured of existing evils, as distinguished from a Liberal who wishes to replace them with others."

Mr. Broadbent, a Vice-President of Socialist International, and his followers have not escaped unscathed from the pens of wits. George Orwell wrote that a socialist is ". . . usually a secret teetotaller and often with vegetarian leanings." For the true socialist perhaps the deepest cut of all came from Prime Minister St. Laurent who said that "socialists are Liberals in a hurry."

Whatever the comic relief that sometimes goes with politics, the process of choosing a government is serious work. To assist in that work the Empire Club has provided a forum for seventy-five years for leaders of diverse points of view to present their thoughts on the issues of the day. We are delighted that during this very important election Ed Broadbent, whose effective leadership in Parliament and on the hustings has won widespread admiration, and whose commitment to serving the people of Canada is evident to all, has accepted our invitation to be with us today.

Ladies and gentlemen, I have great pleasure in presenting to you Ed Broadbent, Member of Parliament, leader of the New Democratic Party, who will speak to us on the topic "The Choice for Canada."

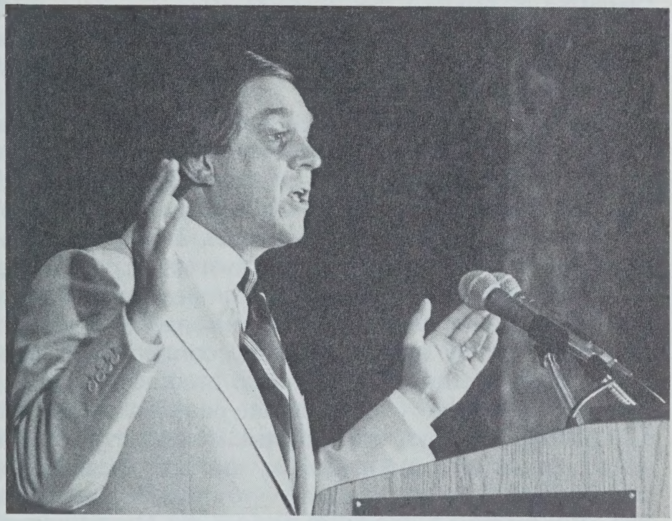
MR. BROADBENT:

Thank you, Mr. President, for that thoughtful introduction.

You did allude to the fact that I'm from Ontario and I want everyone to be perfectly clear that I know very well it's the centre of the universe and I'm delighted to be here as an Ontarian.

The second point that you mentioned in the introduction, that doesn't get elaborated upon in my biography or when it's read out in other circles, is the fact that I have a Doctorate in Political Science. It's a fact that I try to disguise from time to time but it does remind me of a story that is pertinent to another character who happens to be the Prime Minister of Canada right now. You see both the Prime Minister and such other ne'er-do-wells as Dalton Camp and myself studied at the London School of Economics. In that election of 1968 when the Prime Minister did reasonably well across the country, I ran and won by the landslide victory of fifteen votes in Oshawa, which I hasten to add has risen to 10,000 more recently. In 1968 it was very close indeed and I had the temerity after that election to go back to my old high school in Oshawa to speak as a newly elected Member of Parliament in that terribly "liberal-infested" House of Commons. At the end of the assembly a student got up, no doubt a ne'er-do-well Liberal, and said, "Mr. Broadbent, I understand that you studied at the London School of Economics. Is that true?" I had to admit it. Then he said, "I understand that the Prime Minister studied there as well. Is that true?" I had to admit that too. Then he said, "Well how come he came back a Liberal and you came back a New Democrat?" And I said, "The Prime Minister was always a poor student." Needless to say I haven't, after eleven years in Ottawa, changed my mind at all.

Members of the Empire Club, on a more serious note, I am delighted to be here at this particular stage in a



Ed Broadbent,
Leader of the New Democratic Party of Canada

very important election campaign. I was pleased to accept your invitation and I want to turn immediately to the subject matter.

Many of you are directly or indirectly involved in the business community and many of you, I know, are in other professions. Because of your particular occupations you will perhaps know, more than most other Canadians, a lot of the statistics that have been used by the Prime Minister, Mr. Clark and myself in this election. I have no intention of boring you with the repetition of those statistics. Perhaps I will bore you with a few others in a minute, but I don't want to go over ground that is totally familiar. You know at this point in Canadian history after eleven years of the Prime Minister, unemployment has increased substantially, inflation is back, we have a declining value in the

Canadian dollar and the issue of national unity (and I give him credit because he is concerned about it) has never been more serious in the history of our country than it is right now.

I want to make an argument with you today; an "argument" not in one sense of that term which means a quarrel but an argument in the original sense of "proposition," a reasoned view about the future of our country, about our present dilemma. I want to make the case that these problems that we are experiencing now — a million unemployed, a nine per cent inflation rate, a decline in the value of the Canadian dollar in particular, are all related and they connect back to a rather happy period in my Ontario boyhood days.

I grew up in what I regard as the happiest period for a Canadian anywhere in our land. I was born in 1936 which means to someone of my maturity (some have said I haven't reached maturity yet) that in the forties and fifties I had a good life and so did Canadians of my generation wherever they lived. But that was because in the economic philosophy of the time, a major economic decision was made in our land. It was made by the Liberals because they were in government, but it was supported also by the Diefenbaker government. It was made also, I want to stress, in the main, in good faith. It was not simply a partisan argument; it was an intellectually thought out economic position and it was a position that I am suggesting is largely responsible for the difficulties that we are now experiencing as a country.

The decision, which I associate with C.D. Howe, was made just after World War II. I admire C.D. Howe as a man of determination and industry, a man who believed that government existed to do something and not just mushroom into a bureaucracy. But I didn't agree with his decision and that's the point I want to talk about. That serious decision was as follows.

Right after the war Canada was a rich resource land.

We had resources in every province, from Newfoundland in the east (though it was not yet a province), through to our rich heartland of Ontario, right across to western Canada. The argument was made that we had these unlimited resources but we had a small population, and therefore it was contended we would have to grow as a nation in a modern world by selling off these resources. That would be the primary source of economic growth for the future of Canada.

Secondly, intrinsically related to that argument, was the view that manufacturing in Canada would not be of a world class order. It would be turned into the kind of industry that I would argue that Helmut Schmidt in Germany or my friend Olaf Palme in Sweden or a number of others I can mention in Northern Europe would have dismissed out of hand in their own countries. The argument was made that because we had a small population we had to sell our resources on the one hand and on the other we had to develop, in the main, (and I do not want to say all Canadian manufacturing is in this category) a second-class manufacturing base that would be primarily, if not exclusively, foreign-owned. It would be a branch plant manufacturing economy.

That was the source of our prosperity for my generation. We were more prosperous as young Canadians than otherwise would have been the case then because we did sell off our resources. We did very well. We had rapid periods of economic growth. We produced some of the most creative people in our land. The most creative generation of Canadians in the arts, both in French- and English-speaking Canada, have come out of the last twenty years because we had it pretty good.

The point I want to make is that the problems we are running into in 1979 are directly related to that very long-range decision made just after the war and the problem is not getting better, it is getting worse. In resources and manufacturing the total amount of foreign ownership in Canada today, and all that entails in terms of the export of dividends, payments for services and a declining dollar, surpasses in its amount in our country the total amount of foreign ownership in Western Europe, Scandinavia and Japan combined. This degree of foreign-ownership is bound up, I want to stress, with our current economic difficulties and has to be met head on without rhetoric, without foolish nonsense about blaming our neighbours whether they are Americans or from Western Europe. We invited them to come in and invest. They didn't come as some kind of imperial army. We have to deal with our reality. And I want to tell you that the economic chickens of that position taken after the war are now coming home to rest.

Consider the resource sector of Canada. What's happening? We are now discovering that there are, particularly in the Third World, other resource-rich countries that are just as prepared to sell off their resources, and ironically and sadly, their selling off is being aided and abetted by our federal government through the Export Development Corporation.

I am more than disturbed as a Canadian to find out that in Panama, in Guatemala, in Indonesia there is expansion in resource sectors financed by the Export Development Corporation of Canada which has led directly to layoffs in Canada. We have had layoffs in Sudbury, in Thompson, Manitoba, in Stewart, British Columbia. In Newfoundland, a whole town named St. Lawrence was shut down completely because Floorspar could be bought a little more cheaply in another country even though Alcan, the company involved, was making a reasonable profit in St. Lawrence. The point I'm making is that even in resource markets we are no longer in an exclusive position. We are in difficulty.

Secondly, and very importantly, the manufacturing sector of our economy is doing even worse. Our domestic manufacturing as an employer of Canadians has been in steady decline. In the last eight years our manufactured goods deficit has increased by 400 per cent, from $3 billion to $12 billion. For me, an economist, that is serious. In the last decade the percentage of our labour force employed in manufacturing has dropped from 27.6 per cent to 21.6 per cent. That, too, is serious for a nation that wants to be an industrial leader. The rising deficit of the manufacturing trade is, in my view, responsible for the loss of thousands of jobs at home and is a major reason for the decline in the value in the Canadian dollar abroad.

I hardly see most of you as likely or ready at this point to vote for the New Democratic Party, but I'm asking you and through you many other people in our country today, to think of all three parties in the context of what I regard as this very serious economic situation. I acknowledge on the part of the government that they have created in the past year a lot of jobs. But the point is that we need a lot more jobs. The very serious analytical point I'm making is that we have *lost* thousands of jobs and we are going to continue to lose them unless some serious new direction is taken in economic policy.

I want to say to you right now, just a few days before the election, that in my view political leadership is the issue in this campaign. For me, as leader of the New Democratic Party, there are two aspects of leadership. There are the personal qualities. I think it is appropriate for Canadian men and women to look at Mr. Trudeau, Mr. Clark and me and to ask, how do they measure up in terms of intellectual capacity? How do they measure up in terms of compassion? How do they measure up in terms of commitment and dedication? These are attributes of personality that count in politics and, I'm inclined to say, count more in politics perhaps than in most other activities. They count particularly in a country as difficult to govern as ours. There should be no mistake about that. Canada, with its great diversity, culturally and economically, is beyond question one of the most difficult democratic countries in the world to govern. So there are personal attributes that must be assessed. But above and beyond personal attributes there are the policy and direction in which a political party or a movement wants to take a nation and I think that is fundamental. So when the people of Canada are looking at Mr. Trudeau, Mr. Clark and myself and our respective parties they have to tell themselves that we have difficulties and, I want to stress, we also have prospects. But which party in this campaign has really laid it out, has said to the people of Canada that there is a new course that we can pursue to make this great and decent land of ours even finer.

I want to say something about my opponents and I am not going to be entirely complimentary, I want to say something first about the kind of campaign that Mr. Trudeau has waged because I have been disturbed as a Canadian. In 1968, I opposed the Prime Minister as a local candidate, and I had a higher set of expectations about what he would do. His views don't accord with my party, they don't accord with my program, but certainly I had a greater set of expectations than what has been produced. Mr. Trudeau has been in power for eleven years but what has he done in the past six or seven weeks? The issue of jobs is an important issue. We have more than a million unemployed. For me, it is more than economics. It is very much a matter of human dignity for human beings to have the right to work. Human beings do not want to collect welfare; they do not want to collect unemployment insurance. Of course there are a few, and we all know them, but, overwhelmingly, deep inside most men and women want the opportunity to work. Yet Mr. Trudeau when pursued on this issue in British Columbia said to a young person, and I quote, "Get off your ass and you'll get a job." He knows that for every job available in Canada there are twenty people looking.

In the Province of Quebec, when a group of farmers told him about problems in dairy farming, he did not say, "All right, you have difficulty and we'll do something about it." He said, "Farmers are a bunch of whiners."

The women in our society have been making real progress in Canada as elsewhere in the Western World within the last half dozen years, gradually moving towards sexual equality, gradually accepting the notion that if a woman wanted to stay at home that was her right but also accepting the notion that if she wanted to go out to work that too should be her right. But the Prime Minister and his ministers have blamed women in part for creating the unemployment problem because they have come onto the labour market.

In 1974, the Prime Minister promised that 50 to 60 per cent of all new resource projects in Canada which were central to our development would be Canadian controlled. He has done nothing about it.

On the question of national unity, ten days ago Trudeau was in Saskatchewan saying to a group of farmers, "You've got to be aware of those Trade Unionists from the east." That was from a man who claims to be concerned about national unity.

Two nights ago in this city, he says he wants to repatriate the Constitution. Fine, who's going to disagree. And last night, in Montreal, he promised a special session of Parliament within thirty days to deal with this matter. Well, I say that Canadians all across this land — men, women, young, old, lawyers, doctors, farmers, auto workers, all want to repatriate the Constitution, but I also say it is not the over-riding issue of the people of Canada right now. Trudeau says he would call a special session within thirty days to deal with the Constitution, but I would call a special session of Parliament within thirty days to deal with unemployment, to deal with rising prices, to deal with the ordinary problems that most seriously affect the people of Canada. That's what ought to be done.

I want to turn now from Mr. Trudeau to Mr. Clark. I want to say at the outset that I have not found Mr. Clark to be either arrogant or aggressive in dealing with the problems that Canadians are having. I think that is true and is beyond argument. But I think very serious questions have to be raised about the leadership of a man who wants to be Prime Minister. I for one do not see an alternative view of Canada coming from Mr. Clark. In particular, I don't see an alternative set of economic policies. If he has an alternative vision, I hope he spells it out before May 22.

I am concerned as a man about the kind of reactions he has had in the course of this campaign. Can Canadians seriously turn to a man who one day wants to tax Medicare benefits and the next day changes his mind, who one day says he wants to abolish Petro-Can and the next day says he may not, who one day says he will negotiate sovereignty-association with the Parti Québécois and the next day says that he won't.

I want to stress with you that the pressures of a campaign in a democratic society are real, but the pressures of governing a country as diverse as Canada are much greater and certainly a legitimate question for me to ask is, "Can Joe Clark handle those conflicting pressures?"

I want to now turn, because I have raised the questions about the Liberals and about the Conservatives, to my own view and state it as precisely, as clearly and as honestly as I can. As a Canadian, I say at this time in our history surely it is time for a new beginning in our whole approach to national politics. (Incidentally, I am the first leader of my party who was born in Canada.) It is time that we set out to make this country not only more productive which I strongly believe it can be in the economic sense, but also more decent in its relations and a more exciting country to live in, in terms of our personal life. And I say to you that government leadership is required. Government leadership is as required here just as it has been in Western Europe, as it has been in Japan.

One of the phony issues in recent months in our country has been the big government versus the little government argument. Have you ever heard a politician say he or she believes in big government? Of course not. The real issue before us nationally is effective government or non-effective government. And I want to say on behalf of my party, because I know in the minds of a number of you that the NDP stands for something called big government, that the government with the smallest per capita civil service in Canada is Alan Blakeney's in Saskatchewan. I want to point out to you that the provincial government with the largest cabinet numerically in Canada and one of the largest bureaucracies per capita in Canada is that of Peter Lougheed in Alberta.

I want to stress that my party does not believe in big government; it believes in effective government whether it is that of Helmut Schmidt in Germany or of Alan Blakeney in Saskatchewan. We don't withdraw behind the clichés. We want effective government, whether it is at the provincial or federal level.

Now what specifically are we saying in this campaign? I think we have been addressing the issues. I think, unlike the other parties, we have been trying to come up with some practical solutions that are not going to fundamentally change Canada overnight but would make things a little better, a little more decent and a lot more productive in the short run. Instead of ignoring prices we have advocated a Fair Prices Commission to investigate and order rollbacks when price increases are unfair. I happen to believe it would work now at this point in the economic cycle. If we are going to say, from a government and business point of view later this year, that wage and salary increases have got to be reasonable, then surely it is time for us to be saying and demonstrating through effective government action that price increases have to be reasonable. If they aren't reasonable we need, in our view, an instrument that would have the authority to roll back unfair price increases.

Instead of ignoring the housing problem we have made a suggestion that would make mortgage money available not to everyone, not to people in my income category, but we have proposed giving those Canadian families who are earning $30,000 or less a year a tax concession and helping them with mortgages. Incidentally the lower their income, the greater the tax concession, unlike the Conservative proposal. At the same time we have said something has to be done for those Canadians who rent.

Instead of tax benefits for upper income Canadians we have proposed a tax cut for those families earning $30,000 and less to stimulate the economy and provide a little more equity.

Instead of ignoring women's rights in this campaign as the other parties have, we have said let's mobilize them. It is not only a question of justice that a woman should have the same rights as a man, but let us also draw upon their talents, whether they are lawyers or scientists or tool and die makers. There are thousands, indeed millions, of Canadian women who could be making a profound contribution to the Canadian economy and we should welcome them to do so.

I want to say today that all of these programs in my judgement are within our financial capacity to deal with as a nation. We have costed them out and we have calculated that the effect of spending this year would increase the deficit by $1.5 billion, but because of the nature of the spending, and I can't elaborate beyond what I have already said today, the net stimulative effect on the economy would be a reduction in the deficit of the Government of Canada of some $3 billion within a three year period. Economically, in a classical Keynesian sense, our program makes sense and in terms of providing more equity for Canadians at this point it makes social justice.

I want to conclude with what for me perhaps is the most embracing of all issues. It ties directly to my own generation of Canadians, perhaps more than our predecessors. In travelling across Canada I have been moved sometimes to despair. When I was in Labrador, I learned (and I didn't know before I was there) that Newfoundland produces almost half the iron ore in Canada and most of it is shipped out. Quebec has one of the major deposits of asbestos in the world and most of it is shipped out. In our home province we have nickel, we have iron, we have copper, we have lumber, and most of it is shipped out, in relatively unprocessed form. In the prairies, we have immense deposits in oil and natural gas and potash and again so much is shipped out. British Columbia, that marvellous province on our west coast has almost the same range and diversity of natural resources as Ontario. I want to say to you, as a Canadian who came of age after World War II, that I want a new beginning for a future Canada in terms of these resources. My generation of Canadians wants these resources processed at home, not abroad. We want to make jobs here in Canada, not elsewhere.

I want to say, in this context, very specific proposals have been made to do it. Planning agreements that have worked well in most countries of Western Europe with the private sector could work here. Tax policies related very specifically to a higher degree of processing could work well here as they have elsewhere. Special concentration in certain economic sectors in which we could have a world competitive position should be developed with provincial and federal leadership. Fourthly, in the resource sector there is a major role to be played by government investment, sometimes through government ownership, sometimes through mixed enterprise, but certainly clear moves have to be made to regain more Canadian ownership in the resource sector.

The point I want to make about all of these instruments is that it is not knowledge that is lacking. It is the political will to apply that knowledge here in Canada. That, for us, is what an industrial strategy is all about. We have the knowledge, we know what ought to be done. We are saying that political leadership in Canada that would bring the things together and do the job is long overdue. We want, in short, to export more metal products and not iron, we want to export furniture and not lumber, we want young Canadian men and women to have jobs in the petro-chemical industry instead of exporting the alleged surplus of natural gas that the National Energy Board says we have in western Canada. I want a Canada that is determined in its thinking to become both economically strong and economically independent. Surely it is time that Canadian resources were owned by Canadians, controlled by Canadians. Mr. Trudeau may want to put his priority on bringing home the Constitution. The priority of my party in this campaign is to bring Canada home to Canadians.

The thanks of the club were expressed to Mr. Broadbent by R. Bredin Stapells, a Past President of The Empire Club of Canada, who presented Mr. Broadbent with an Empire Club tie.

OCTOBER 4, 1979

Canada in a Changing World

AN ADDRESS BY The Honourable Flora MacDonald,
SECRETARY OF STATE FOR EXTERNAL AFFAIRS

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Madame Minister, distinguished head table guests and ladies and gentlemen of The Empire Club of Canada: A most warm welcome to this splendid beginning to the fall season of The Empire Club of Canada. Our attendance today is large and enthusiastic and, as you can see, our head table is a distinguished one.

Before hearing from our guest of honour there are several announcements and a presentation.

The first announcement is made with regret. Eric F. Thompson, President of this club during the 1945-1946 season, passed away during the summer. Those who were members of the Empire Club during that period will remember his program of speakers that included many officers who had played a major role in the allied war effort. It also included two Saskatchewan Members of Parliament — the legendary Agricultural Minister, Jimmy Gardiner, and the promising newcomer, John George Diefenbaker.

As a second announcement I draw to your attention that on each table are applications for membership in the Empire Club. I encourage any of you who would like to be members to complete the application, invite your host or hostess today to sign it as proposer, attach a cheque in the amount of $25.00 and forward it to the club office. If your host or hostess is reluctant to endorse the application send it to the office unsigned. As President, I will regard your desire to join the Empire Club as an indication of discriminating taste, your prepayment as a mark of upright character and I will sign as your proposer, sight unseen.

My third announcement relates to the second. During this season we will be fortunate enough to have this large room on only three occasions. As a result, several of our very popular upcoming speakers will be in rooms that accommodate only a portion of those in attendance today. Your board of directors has decided that on such occasions attendance will be limited to members and one guest each on a reserved seat basis. The first such restricted meeting will be on November 1 when we will hear from Finance Minister John Crosbie, and I encourage those of you who wish to attend to be sure that your application for membership is in or, if you were a member last year, that your dues have been paid.

The presentation I referred to earlier is to be made by the Honourable Thomas Wells, Minister of Intergovernmental Affairs and Government House Leader in the Ontario Legislature.

THE HONOURABLE THOMAS WELLS:

Mr. President, Madame Minister, Right Honourable Mr. Michener, distinguished guests, ladies and gentlemen: As you all know, in the past year The Empire Club of Canada under the presidency of Brigadier General Reginald W. Lewis has celebrated its Diamond Jubilee. Since that first meeting in Webb's Restaurant in downtown Toronto on November 18, 1903, over seventeen hundred prominent speakers have been welcomed to this rostrum and have spoken with real authority on the issues of the day. In recording these speeches in its yearbook and distributing it not only to members but free of charge to schools, colleges, universities and public libraries across Canada, the Empire Club has endowed Canadian history, tradition and education in a unique and very valuable way. As your Past President, Peter Hermant, said in your brief to the Task Force on Canadian Unity, the yearbooks constitute a first-person account of the history of Canada, the Commonwealth and the world.

Far from being anachronistic, the Empire Club name is a designation that continues to signify strong loyalties and a respect for sound traditions and proven customs. It is a fine synonym for whatever name applies to that union that maintains our heritage of loyalty and freedom under the Crown. Certainly all of us in Ontario are indebted to The Empire Club of Canada for the outstanding contribution that it has made to Canadian life over the past seventy-five years. Its success and loyalty has been the result of the dedication of its many members, but particularly of the leaders, the seventy-six presidents that began with Brigadier General the Honourable James Mason in 1903, leading up to Brigadier General Reginald Lewis in 1978 — a list that includes one former Governor General of Canada who is here today, and three former Premiers of the Province of Ontario.

Mr. President, the Government of Ontario is anxious to recognize and to honour this loyal society for its outstanding contributions to the cultural history, not only of this province but of the whole of Canada. And so today, on behalf of the Premier of Ontario, and the Government, I would like to present to Brigadier General Lewis, the President of The Empire Club of Canada in its seventy-fifth anniversary year, a presidential ribbon of office in the colours of the Order of Canada. From this ribbon hangs a gold medallion that has on its front the crest of the Empire Club and on its reverse side the crest of the Province of Ontario. Also, to commemorate the presidents who have served since 1903, I would like to present an illuminated scroll to you, Mr. President, bearing their names and the years of their presidency, signed by the Lieutenant Governor of Ontario and the Premier. It also has a replica of the medallion which I am going to present to Brigadier General Lewis.

In presenting this medallion, Brigadier General Lewis, and in thanking the club through this presentation on behalf of the people of Ontario for seventy-five years of service, I hope that you and your successors will wear this ribbon with pride and that the great tradition of this club will continue for many more years.

BRIGADIER GENERAL LEWIS:

Mr. President, Madame Minister, Mr. Minister, distinguished guests, members and friends of The Empire Club of Canada: First let me say, Mr. Wells, in all humility, that I am overwhelmed by this magnificent gesture of the Premier and of the Government of Ontario to recognize the seventy-fifth anniversary of The Empire Club of Canada. Will you please convey to the Premier just how grateful we are and how pleased we are to accept this gracious gift at this significant milestone in the history of our club. I would be less than honest if I did not tell you that this is a very proud moment for me, for it is with great pride that I wear this emblem of office, a pride that I know will be felt by all future presidents. If I may call this a chain of office, they will wear it not only as a symbol of the office of the Presidency, but as a symbol of all that for which the Empire Club stands.

Thinking of it as a chain, and thinking of the dictionary definition of a chain as "anything that binds and restrains," then surely this emblem shall serve as a symbol that binds us together as members of the Empire Club. And yet it will perhaps restrain us from any puffed-up sense of our place in the affairs of either God or man. In this spirit, then, and having had the honour of being the first to wear it, and for what I hope will be the shortest period of time on record, I will now pass this emblem of office to the man who has been chosen to lead us in our seventy-sixth year, as we head towards our first century — Mr. John MacNaughton, President of The Empire Club of Canada, 1979-1980.

THE HONOURABLE THOMAS WELLS:

Mr. President, I would now like to present the plaque with the names of the President of the Empire Club in its first seventy-five years, with our best wishes.

We have one other presentation. This is one that was not scheduled, but since you, Brigadier General Lewis, had the honour of being President in the Diamond Jubilee year, we thought that you would like a personal memento. You did not wear the chain of office for long, but we have the moulds from which the medallion on the chain was made. Only three medals have been struck from these moulds, one on the chain and the two on the scroll. The moulds have now been plated, and you are now the owner of those casts.

BRIGADIER GENERAL LEWIS:

Mr. Minister, today when I was travelling by subway from my office at Bloor to Union Station, I was thinking what a long journey it was, compared with those Thursdays of last year when I used to run through the notes of my introductions and the time went by in a flash. I thought what a relaxed day it would be today, to sit here and have nothing to do. But now with having this problem of getting up twice to speak, I feel rather like the club — seventy-five years of age.

I want to tell you, Mr. Minister, how I will personally cherish this always as a memento of a wonderful year with a wonderful club. Thank you very much indeed.

MR. MACNAUGHTON:

Thank you, General Lewis, for this chain of office and for your good wishes.

Now to the business of the day.

The large numbers in attendance today and the enthusiasm throughout this room combine to form an auspicious beginning to the fall season of our 1979-1980 program of luncheon meetings. But more importantly, the warmth of this gathering is a demonstration of the regard our members have for our guest speaker, the Honourable Flora MacDonald, Secretary of State for External Affairs.

Miss MacDonald is no stranger to this podium. She has stood here twice before and on both occasions has been greeted by an audience of friends and admirers. However, her appearance this afternoon is surrounded by a special sense of occasion because she comes to us not as an Opposition Member of Parliament, as she did on her two earlier visits, but as a Senior Minister of the Crown who is making her first public statement to a Toronto audience since being appointed to high office on June 4th of this year.

Those who have followed Miss MacDonald's political career from its beginnings in North Sydney, Nova Scotia, know that she has had her eye on a position with the Department of External Affairs for many years. In his biography of Robert Stanfield, Geoffrey Stevens writes that in 1957 Flora MacDonald, who had a passion for both politics and travel, "headed for Ottawa to try for a job with the Department of External Affairs on the theory that people in the diplomatic service get to do a lot of travelling."

Twenty-two years later Flora MacDonald got the job and her agenda for the first four months as Secretary of State for External Affairs has proven her theory about travel. Since her swearing in, Flora MacDonald has visited Paris for an economic conference, Tokyo for a gathering of leaders of major western powers, Geneva for a meeting on Southeast Asian refugees, Lusaka for the Commonwealth Conference, New York for an appearance before the General Assembly of the United Nations and, to complete her tour of international power centres, Toronto for an address to the Empire Club.

In her travels to foreign capitals, Flora MacDonald has been representing Canada to the world. And all reports are that she has been distinguishing her nation at every stop. After her address to the Geneva conference on refugees the foreign minister from Denmark was overheard saying to her "You're being discussed around here. And the words that are being used are 'intelligent' and 'tough'."

Reports from her address to the U.N. last week are that diplomats from around the world are excited by the verve, forthright manner and evident compassion for people exhibited by Canada's new foreign minister.

On the homefront Peter C. Newman, in his September 3rd, 1979 editorial in *MacLean's*, wrote that Flora MacDonald's "courage, moral sensitivity and plain good sense equip her better than anyone else since Lester Pearson to marry an instinct for political pragmatism with a raging sense of idealism and come up with some badly needed new external initiatives."

Her address to us today affords members of this club a welcome opportunity to begin our seventy-sixth consecutive season by looking beyond our boundaries through the eyes of a new and already respected international leader. On behalf of all members and our guests here today I am pleased to welcome to our podium the Honourable Flora MacDonald, Secretary of State for External Affairs, who will address us on the topic "Canada in a Changing World."

THE HONOURABLE FLORA MACDONALD:

Mr. President, Mr. Minister, distinguished head table guests, ladies and gentlemen: It is now exactly four months since the new government took office and I was sworn in as Secretary of State for External Affairs. And I'll tell you — it's been quite some four months.

Anyone who hasn't been involved in a change of government will find it hard to understand just what an intensive period we have been going through. There has been an enormous amount to do. First, we had to familiarize ourselves with the sheer mechanics of government. And since we have chosen to change the structure of decision-making at the centre, the whole process has been doubly difficult. For example, it has meant helping our senior civil servants adapt to new structures, and to work with the Ministers in a different way.

Second, we had to learn about the true state of affairs facing us. It wasn't until we were actually in office that we got access to the information we had asked for so often while in Opposition. The true state of affairs we found, particularly the government's financial affairs, was really quite different from what we had been led to expect. And believe me, it wasn't better.

In addition, of course, we have all of us been having a crash cram course on our individual portfolios. Speaking personally, this has been probably the most fascinating period of my life. I was truly lucky, in that I have had a long interest in international affairs, and over the years I have travelled to many different countries all around the world. But even so, the amount to learn has been tremendous.

As a Cabinet we have had to devote a great deal of time to the legislative program we shall be introducing when the House opens next week. In parallel with this, we have been preparing our estimates, as part of that annual festival that governments go through in the budgeting process. These exercises, of course, call for a drawing together of the information we have

Honourable
Flora MacDonald,
Secretary of State
for External Affairs

gathered, and the experience we have gained in our other activities — and always keeping in mind the commitments we made while in Opposition.

So life in the past four months has been a relentless series of meetings, consultations, briefings and reading. And for me it has also meant attendance at five major international conferences on four continents — the latest being the United Nations General Assembly in New York during the past ten days.

Now, I mention these things not to gain any sympathy for the hectic pace that all this has involved, nor am I trying to show what great value for money you as taxpapers are getting from the salary you pay me. I mention it rather to explain that until I started to think about what I should say to you, I really hadn't had many opportunities to reflect on the state of the world as it is today, of the kind of forces at play, and the impact all these things have on Canada.

That's why I particularly welcome the chance to speak at the Empire Club today. It has allowed me to pause in the galloping race of events and to formulate more specifically in my own mind some of the questions that have been bothering many of us for some time. In doing this, I shall not pretend to have all the answers — but it seems a good place to start.

First, I ask myself what kind of a world is it that we are living in. What are the political realities? The last time the Government of Canada asked this question out loud was ten years ago during its full scale foreign policy review. Well, things have changed since then.

Ten years ago it was still possible to believe in a broad system of international security based on the spheres of influence of the two superpowers. Some effects of this broad system paralleled those of the colonial era of the last century. By the late sixties, of course, the process of decolonization was nearly complete — the European empires had been pretty well disbanded. But though the empires had gone, they left behind a certain way of thinking about international affairs. No matter what you may think of the morality of imperialism, it did at least give a stabilizing frame of reference to world affairs. By and large, during that colonial period, conflict around the world was controlled by the European homelands, countries whose own economic self-interest weighed heavily against spontaneous outbreaks of conflict between neighbouring countries or colonies. The Pax Britannica was, after all, an almost unprecedented period of stability in the history of human affairs. And so one legacy of the colonial period was a rather intellectual approach to international affairs based on the stability that it brought. A decade ago, then, there was still a view of the world, shared by many, that the two superpowers would guarantee between them some sort of stability in the global system.

And certainly there was some evidence to support this view. In the fifties and sixties the United States saw fit to intervene with troops when trouble broke out in Guatemala and in the Dominican Republic without outraging international public opinion. The Soviet Union brutally quashed political change in the satellite states of Hungary and Czechoslovakia. Of course, that system of stability was both incomplete and imperfect, but in those days it was still possible to view the world in that way.

Today the view is quite different. The world is not split into two great blocs who have a definitive influence. We have seen the development of a strategic nuclear stalemate, with neither superpower having overwhelming force. Prime Minister Lee Kuan Yew of Singapore at the Commonwealth Conference in Lusaka described this as a new Roman arch, built not of bricks but of nuclear missiles, under which it is possible for other countries to find room to manoeuvre. That maneouvrability is not entirely an unmixed blessing. In just the first nine months of this year, for example, Vietnam has invaded Cambodia, China has had a border war with Vietnam, South Yemen has attacked North Yemen, and Tanzanian soldiers have invaded Uganda. All this in nine months — and without the direct intervention of either of the superpowers. Political instability now pervades many regions. Civil uprisings and internal conflicts are apparent in many different parts of the world.

The re-emergence of China onto the world stage adds an almost incalculably important new factor into the equation. Not only is China renewing its political interests in Southeast Asia, interests that date back thousands of years, but its intent to frustrate Russian ambitions on one hand and its expressed interest in western technology on the other is leading to involvement in other parts of the world as well. The impact of this enormously important development is still difficult to evaluate. Not for over a thousand years has the world seen China, with its vast and energetic population, devote itself to a single set of international objectives under an effective central leadership. The coupling of such resources to modern western technology is bound to bring about enormous changes to the international scene, and a major shift in the balance of power.

Another very important factor that has emerged in the past decade is the increasing self-reliance of many of the newly emerged countries of Africa and Asia. In many cases, internal instabilities or external pressures have led to the build-up of substantial armed forces in areas where such were previously relatively unknown. This widespread increase in the capability to make war also introduces an unsettling element into the scene.

There have, of course, always been a number of areas of active armed conflict around the world. I am told that since the Second World War there have been no fewer than one hundred and fifty such outbreaks. It would be naïve and unrealistic to think that human nature could change so completely that the recourse to war will be a forgotten and disused device. What is particularly worrying at the moment, however, is the duration of some of the conflicts, such as the thirty-year struggle in Southeast Asia. For conflict has its own dynamic, its own inexorable logic. Once a generation is born and raised to maturity in an unremitting atmosphere of war, the stoppage of that conflict becomes enormously difficult. Peace and war are not just two marks on a switch to be turned on and off at will, and the longer a state of war exists, the longer the period it will take to achieve a thorough peace. Southeast Asia is the prime example of this.

I mention this dynamic of conflict particularly in connection with other points of conflict between some of the smaller states. The situations in the Middle East and Southern Africa, for example, though both at the moment showing some hopeful signs of settlement, are of such a duration as to cause considerable anxiety about the social and political stability of the areas, even if agreement is reached.

The room for manoeuvre under the Roman arch of nuclear stalemate has also allowed the countries of the Third World an opportunity to use their influence in world forums in an increasingly forceful way. The Group of Seventy-seven, the term adopted by the Third World countries acting as a bloc in international meetings — a group which now numbers well over a hundred — has become a determining influence in international meetings. And one has to remember that that bloc includes such diverse countries as Saudi Arabia and Ethiopia. No longer can the countries of the developed world reach agreement on the direction of world affairs without recourse to the governments of the Third World bloc which represent such a large portion of the world's population.

But in the past decade the disparities between these developing countries have grown enormously. The fastest rates of economic growth in the world are to be found in some of these countries. Oil, of course, has accounted for much of this. The almost unimaginable wealth of some of the oil-producing countries places them in a vastly different position from that of some of the other developing countries. And the impact of rising oil prices — great though it has been in the industrialized world — has been well nigh crippling to many countries in the Group of Seventy-seven.

But oil does not account for all the economic progress in the developing world. Singapore, for example, with nothing in the way of natural resources at all, has now achieved a per capita income equal to that of Ireland, the country which is now chairman of the European Community. The Malaysian economy is one of the fastest growing in the world, and we all know what the South Koreans have been able to do.

At the other end of the scale, some of the Third World countries seem to be making no noticeable progress at all in solving their economic problems. At the most basic level of sheer survival, some countries are falling behind in food production per capita, even while their populations continue to grow. Zambia, for example, which I visited this summer, used to be a substantial exporter of food. Today it can no longer meet its own requirements. These factors, to some extent foreseeable ten years ago, are now stark realities.

While talking about food problems, I cannot help but digress to mention the absolutely desperate situation arising in Cambodia, now called Kampuchea. Formerly a major rice exporter, that country faces one of the most appalling food shortages in the history of the world. So disruptive have been the effects of its internal political upheavals, and the invasion by the Vietnamese, that only five per cent of the arable land in that country is now under cultivation. The projections of need are staggering. Worse still, however, is the complete disruption of the internal functioning of the country, the total breakdown of its infrastructure. Even if food can be gotten to the country, there are no facilities left to distribute it. Seldom has the international community been faced with such a massive need, so difficult to fill.

As I mentioned, the Third World countries have shown an increasing independence in their dealings with the developed world. What is not nearly so clear is whether they will be able to find enough community of interest and collective will to deal with some of their own problems.

Looking more narrowly at the world of our western allies and our traditional trading partners, the scene here, too, is unlike that of a decade ago. I needn't recite for this audience the factors that have so changed the economic atlas. Who, ten years ago, could have foreseen the present state of the U.S. dollar, the readjustments called for by the energy situation, or today's price of gold? Our current experience and future prospects for a combination of high unemployment, continuing inflation and slow economic growth have enormous implications not only for the western countries themselves, but also for the role they play in the international scene.

These are a few of the things that I notice are different about the world today compared with ten years ago. And looking at these factors, I cannot help wondering whether the emphasis and priorities of Canadian foreign policy are really serving our best interests in this substantially different world. Let me give you just a few of the questions that come into my mind.

I look at the distribution of effort that our Department of External Affairs and our aid programs have, and I wonder why we are so deeply committed in certain parts of the world. What are Canada's real interests in this involvement? It certainly doesn't have to do with trade; our commerce with most of these countries is minimal. We are not like the former colonial powers of Europe who have both ties and obligations dating from the previous century.

Even more generally, I wonder on what basis we have chosen to participate in individual aid programs. Have we taken into account the economic returns Canada may expect in both the short and long term? How good are we at assessing projects from the point of view of actually helping real development in the recipient country, and of doing ourselves some good at the same time? Would we be more responsible international citizens if we concentrated our attention in fewer countries or in fewer fields, so that our impact could be greater?

Along the same lines, I wonder if Canada should be so deeply involved in peacekeeping operations. Does

The Honourable Ellen Fairclough; the Rt. Hon. D. Roland Michener, Former Governor General of Canada and Past President of The Empire Club of Canada; the Honourable Flora MacDonald, Secretary of State for External Affairs; John A. MacNaughton, President, The Empire Club of Canada; and the Honourable Thomas Wells, Minister of Intergovernmental Affairs and House Leader, Province of Ontario.

this constitute the best contribution we can make to peace and security in regional trouble spots? I know the costs we bear for these, both in terms of national expenditure and in the very direct human effects they have on the military personnel themselves and their families. Why are we spending so much time involved in the contact group in Namibia? Do Canadians really care?

Ever since the Second World War Canada has been cultivating the image of an international nice guy. We're friends to everyone, the honest brokers. We've spent billions on aid and untold man-hours of effort in being as upright and noble to the Third World as we can be. And yet last month in Havana the non-aligned countries cheerfully branded us as imperialists. Pakistan is one of the very largest recipients of our aid programs, but it led the attack. Not only that, it is a country whose head of government, before he was executed, said that he would rather reduce his country to eating grass than give up the right to develop a nuclear bomb. Is it really the right thing to do to divorce aid policy entirely from the rest of our relations, both political and economic, with the country concerned?

I also wonder if we are paying enough attention to economic and trade relations. Why is it, for example, that Canada still has so little trade with such powerful and growing economies as Mexico and Brazil and Venezuela? Perhaps we've also been far too slow in establishing really solid economic ties with the fast-growing countries of the Pacific rim.

I'm also not sure that we really have paid as much attention as we should to our nearest neighbour and closest partner, the United States. I say this without in any way compromising my stand as a staunch Canadian nationalist. But our relations with the United States are so enormously important that they just must be our first priority. Have we really been as attentive, as co-operative, and yes, as tough as we should be in this regard?

And beyond all this, of course, is the question of our military alliances and commitments. There are just as many questions needing answers here as in foreign and aid policy.

As I said at the outset, Mr. President, I don't pretend to have the answers to all of these questions. It may be that the polities that were developed in the early

1970s are still appropriate for the 1980s. But given the substantial changes in the international scene, I feel it is my responsibility to make sure that we don't take the answers for granted.

That's why we as a government have initiated a thorough review of foreign policy. I think this review is absolutely essential if we are to have any confidence at all that we really know, and are able to serve Canada's genuine interests in an increasingly interdependent world. There are two characteristics I want this review to have. First, I want it to have input from Canadians outside the government. By involving a revitalized Parliamentary Committee on External Affairs and National Defence we shall provide a vehicle for participation by private groups and individual citizens. In this connection I want to invite anyone interested to make sure your views get inserted into this process.

The second characteristic I want it to have is that it be quick. I have no interest in a long, drawn-out process that will take years to complete. We have to make decisions every day. Therefore, the sooner we come to agreement on these fundamental issues which I have placed before you today, the better.

Foreign policy is no esoteric academic exercise reserved for ivory towers or diplomatic tête-à-têtes. It has enormous implications for each and every Canadian — for our security, for our economic well-being, for our contribution to the rest of the world. Given the international pressures that exist, we must realize that if we don't exert every possible effort to devise the kind of foreign policy most appropriate to Canada in the 1980s, then others will. And neither you nor I want to leave that job to others.

The thanks of the club were expressed to Miss MacDonald by the Right Honourable D. Roland Michener, a Past President of The Empire Club of Canada.

OCTOBER 11, 1979

Limited Choices: Canada's Needs and Foreign Oil

AN ADDRESS BY Wilbert H. Hopper,
CHAIRMAN AND CHIEF EXECUTIVE OFFICER, PETRO-CANADA

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: Several months ago James Schlesinger stepped down as the United States Secretary of Energy. In a speech to the American people at the time of his departure he addressed himself to the rhetoric that too frequently distracts from meaningful efforts to solve the energy crisis.

> The political left blames the oil industry. The political right blames the government. But such behaviour simply reflects that post-Watergate tendency to lash out at institutions. Institution-bashing is just another way of evading the problem; it is unlikely to produce much more crude oil.

Mr. Schlesinger's words are as appropriate to the situation in Canada as they are to that in the United States. However, in this country the finger pointing at government is easier than it is south of the border because in Canada we have a state oil company which has served as a focus for much of the criticism of government involvement in one of our economy's most entrepreneurial industries.

Since it first began operations in January 1976 the nature of the comments on Petro-Canada have varied as the nature of the company itself has changed. The criticism has also varied because, to the chagrin and surprise of some of its early critics, Petro-Canada has had important successes in its frontier exploration program.

Nonetheless, in spite of the fact that Petro-Canada, as both a concept and as a reality, has the support of many Canadians, the bashing of Petro-Canada has continued unabated and it has had to withstand brickbats from all sides; its existence became an election issue and its future is now the topic of a Prime Ministerial Task Force that is expected to report shortly.

The man who has been at the centre during all of the ongoing Petro-Canada debate is our guest of honour today, Wilbert H. Hopper. He brings to his post as Chairman and Chief Executive Officer of Petro-Canada a variety of experiences in both the public and private sectors. Since graduating from the American University with a Bachelor of Science Degree and the University of Western Ontario with a Master's Degree in Business Administration, he has been, in chronological order, Petroleum Geologist with Imperial Oil, Petroleum Economist with Foster Associates; Senior Energy Economist with Canada's National Energy Board; Senior Petroleum Consultant with Arthur D. Little in Cambridge, Massachusetts; Senior Adviser, Energy Policy with the Department of Energy, Mines and Resources; Assistant Deputy Minister in the same Ministry; and founding President and Chief Executive Officer of Petro-Canada.

Mr. Hopper is a member of several economic and geological associations in both Canada and the United States. As a man whose corporate responsibilities require him to have his ear to the ground in Ottawa and in Calgary, he is a member of both the Rideau Club and the Ranchmen's Club.

Several weeks ago, when the Task Force on Petro-Canada was appointed, Mr. Hopper observed that the child is seldom consulted in a custody dispute and thereby served notice that he would not be engaging publicly in the Petro-Canada debate. His choice of topic for today's address continues that self-imposed oath of silence.

However, if Mr. Hopper is one of those who follows Bernard Baruch's counsel, "Never answer a critic, unless he's right," his silence speaks volumes on his views of the role and importance of a state oil company.

Wilbert Hopper was one of the first speakers to accept an invitation to address the Empire Club during our 1979-1980 season. His letter of acceptance is dated March 15th of this year and the interest with which members have looked forward to his address has grown steadily since then as events at home and abroad have continued to underscore Canada's vulnerability to the international energy crisis.

In commenting on developments in international energy markets, there are few Canadians who can speak with knowledge or authority equal to that of Wilbert Hopper. Therefore, it is my pleasure, on your behalf, to welcome him here today to address us on the topic "Limited Choices: Canada's Needs and Foreign Oil."

MR HOPPER:

Incredible as it may sound, the true petroleum era — the period during which it has been the prime source of commercial energy for most nations — began no more than twenty-five years ago. The primitive use of oil encompasses all of recorded history but it has been only in our lifetime that it achieved such universal importance. It is certain to remain significant throughout the next quarter-century.

But by the end of that era we are likely to have become accustomed to the appearance of alternative forms of energy.

When that time comes, many of our current concerns will have faded. But we cannot leap over time. There are tough years ahead, when nations will compete to obtain their oil from whatever amount is placed in world trade. It is on the next decade that I want to focus your attention. Issues of economic and social progress, of war and revolution — or peace — may depend on how carefully we appraise our risks and our opportunities.

It is a task which confronts virtually all nations. The industrial world, and most of the developing countries, will remain dependent on imported oil as their predominant source of energy. "Imported" is another way of saying most nations will have to have access to *someone else's oil*.

The federal government has set the end of the next decade as a goal for attaining self-sufficiency in oil. But in the intervening years we shall pass through a time in which our continuing dependence on imported oil will be a vital consideration in all that we do — as businessmen, bankers and as government. The need for imported oil will be a factor in all our relationships, domestic and foreign.

It will be an everpresent concern, for not only are there real prospects of a chronic shortage of crude in world trade, there is the absolute certainty that all governments will use all available means, everything from gold to guns, to obtain their needs. We are warned daily of this by OPEC. The oil powers of Saudi Arabia, Iran, Iraq and Kuwait have all been telling us to get going and develop our own resources, to conserve. We still find this hard to take seriously although these four countries alone provide well over half of all the oil available for oil imports. Oil has been plentiful, it has fueled our economic growth and enhanced our

Wilbert H. Hopper,
Chairman and
Chief Executive Officer,
Petro-Canada

standard of living. What has happened? What is going on today? Let me review a few of the hard facts of the present situation.

The *first* fact is that for the past quarter-century, all of the truly great additions to conventional petroleum reserves have been in the Middle East. Discoveries in Canada, in Alaska, in Nigeria, in the North Sea, are not of "Middle East" proportions; collectively, they total only those of Kuwait (seventy-one billion barrels). Mexico may be the single exception of an addition to reserves of some magnitude: perhaps forty-five billion barrels.

The *second* fact is that oil consumption has soared while dependence upon the Middle East has become more and more concentrated. In 1960, a scant twenty years ago, total world oil consumption was some eighteen million barrels per day; today, it approximates sixty-six million barrels daily: a fourfold increase in two decades. And whereas, in 1960, the United States was still an exporter of oil, the U.S. is now far and away the largest importer of oil at over eight million barrels a day. Its consumption has its parallel in Europe (fourteen), in Japan (five). Oil consumption is rising everywhere in the developing world and has the potential to rise at an exponential rate. The Middle East alone provides seventy per cent of all oil in world trade. We have every reason to believe that over the next ten years, that share will not be less.

For most nations, the *third* fact is that there is no available alternative to oil as the primary commercial fuel. There is nothing else at hand to which we can turn without great effort, great expense and time. The vital role of oil will continue throughout this next decade, and well into the following one.

The *fourth* fact is that Canada is going to be dependent on costly imported oil for the next decade. The whole region of Canada east of Montreal depends primarily on imported oil to meet its energy needs. We import approximately 420,000 barrels per day at a cost today — no one knows what tomorrow will bring — of about eleven million dollars per day.

The *fifth* fact is perhaps the most difficult to deal with: the availability of oil put into world trade, most particularly by the OPEC states, is not now, and is not going to be for as far ahead as one can see, determined by commercial considerations. The time when supply was tailored to match demand — the province of the "seven sisters" of giant oil — is rapidly coming to an end. What is taking its place?

On the side of the oil exporters, governments, and national oil companies have moved in and are in a position to determine how much oil will be made available for world trade, what balance is to be struck between heavy and light crudes, at what prices, and for what destinations. Their determination of these factors represents a complicated and ever-changing mix of domestic and foreign objectives, of economics, finance, of the securing of *political* goals, of military considerations; and also of the level of production which represents prudent extraction rates.

As well, every key member of OPEC has not only imposed a limit on its production for export, each has warned that it will continue to do so and may in fact *lower* the limit *even further*. In blunt terms we are being warned that the present knife-edge balance between oil demand and supply is going to be more difficult as our demand for oil continues to go up. Nearly everyone is doing it — not just OPEC. Norway holds exports down. We do. Mexico warns it will do so, and Britain will conserve.

On the side of oil importers, most nations are scrambling to maintain the precious oil imports that they require. When oil went short this year, Germany paid over forty dollars a barrel for crude. Japan paid the same. Some crude which landed on the U.S. east coast was at that level. How many countries, equally dependent on oil, can put up that kind of money, find the means to meet what was a seventy-five per cent increase in the oil price?

The situation is no longer one in which private oil interests can be expected to always obtain and deliver oil. Each transaction, directly or indirectly, involves a government presence. Not one drop of oil moves today from the Middle East without a government agreeing to it. And almost every sizeable oil importing nation has its government in the act.

The private oil companies remain technologically strong, are still possessed of a global logistics network, but have little power to influence the terms on which the oil is supplied. It is no longer "theirs." The companies' relationship to oil exporters, and to oil importers, is subject to continual stress as they seek to meet the needs of the two sides, the sellers and the buyers, for whom the use of commercial processes is no longer the norm.

We are not at the end of this evolution. Importing governments are reminded repeatedly by OPEC states that it is the producers' preference to deal directly with them and not the private sector. The number of producing states implementing this policy grows. It is quite possible that as of today as much as thirty per cent of oil in world trade is being obtained on a government-to-government basis. The implications of this shift are clear: the "politics" of oil have changed and escalated. It is unlikely that we shall ever again regard international oil as a private commercial commodity.

Canada as an *importer* must take heed when producing governments shock the international oil system by cutting supplies, sending oil to someone else, raising the price or using oil supply as a bargaining tool.

I have examples. Algeria wants support for its Saharan objectives; Libya wants to control Chad; Egypt wants support for its North African and Middle East interests. Iraq wants none of its oil to go to South Africa or Israel; Saudi Arabia has interests it wants the United States to maintain; Iran has a long list. Nigeria tells the world of its views on South Africa. Oil supply has become a tool in international diplomacy; it is actively used to pursue these objectives.

There is no sure way for any country to move securely through this confusion. There may be no single route to follow but a mix of government and the private sector in obtaining foreign oil. Flexibility will be essential for two other facts have now become evident. First, there is now no such thing as a "long term supply contract;" any oil agreement can be changed unilaterally. Second, there is also no durability to price clauses. No one can tell for sure what the price will be for any transaction.

This, then, is the setting in which our nation will, for at least the next decade, be attempting to secure oil imports. Remember, we will not be alone in our efforts. Even with serious, sustained efforts at conservation, and allowing for modest economic growth, the United States, Europe, and Japan, and Canada — and nearly everyone else — will continue to increase their consumption of oil, and for most, this translates into continuing and growing dependence on imported oil.

Tightening the supply situation even further could be new claimants, such as Russia, moving from a net exporter to a net importer. There has been little consideration given to the needs of developing nations and the domestic requirements of the OPEC states themselves. These two — developing nations and OPEC states — could soak up easily, all by themselves, any conceivable increase in oil volumes placed in world trade over this coming decade.

Under these circumstances, any importing nation will have three fundamental, related objectives: (1) to obtain an *adequate* volume of imported oil; (2) to get the oil *continuously* and; (3) to get it at a *price within its capacity to pay*. Any nation has to obtain all three of these objectives; if only one is missing, it remains vulnerable.

Canada's needs will not take a large share of world oil in the 1980s, but our comparatively modest requirements will be far from easy to meet. The competition for each barrel in world trade will be considerable.

Some Canadians may feel that oil obtained on a government-to-government basis will be "cheaper" and provide more "long term security" because the private interest of companies is no longer the essential ingredient. I cannot tell you today that government-to-government deals, made throughout the world, have resulted in a lower price, a more assured supply or are on a more long-term basis. The most that can be claimed for such deals is that there is a *presumption* that with the range of powers and interests governments can employ, there *may* be greater durability to an agreement or, at least, greater reluctance on the part of suppliers to reduce or cease supply. I believe this is a reasonable presumption.

We cannot be sure. The choice of instruments, government or the private sector, is not ours alone to make. Decisions and attitudes by the exporters to increase government-to-government transactions will tend to limit our options.

I have laid out for your consideration the principal aspects of the world oil market with which Canada and all other oil importers will be dealing, over the next decade. There is almost certain to be an imbalance between vital needs and supply; there exists no readily available substitute for oil; there will be increasing competition for the barrel of oil put into world trade by exporters each of which will have a mix of economic and political objectives. Above everything, from all sides, there is this increasing role of exporting governments in setting the terms on which oil is made available and by importing governments in trying to get what they require.

I do not, however, expect the decades following 1990 to be as bleak. We, in Canada, are nearly unique amongst all other nations by the magnitude of our undeveloped energy resources. In this respect we are truly blessed.

We have every reason to believe we can discover and unlock the vast petroleum resources of this country. Technology and logistics, capital and management skills can be applied. New understandings will be needed within the nation as to the incentives required, the most effective roles for government and the private sector, durable policies and agreement on how the benefits can be shared. The realities of dependence on imported oil that I have just described should add urgency to the need for Canada to get its house in order and insulate itself from the uncertainty of being an importer.

And we have no time to lose. The lead times required to put great enterprises into operation can easily consume most of the difficult decade ahead. If the more distant future is to be different we have to realize the changed nature of world oil trade, learn to respond, and accelerate the development of Canadian energy resources. It can be done; Canada's energy supply will have been secured and our vulnerability to foreign supply will have disappeared.

In the meantime, there is no sure way by which Canada can insulate itself completely against international conditions by special kinds of deals. We will, in effect, have limited alternatives. We must continue to rely on our present suppliers, including the traditional oil companies, for as long as the exporting governments acknowledge their continuing need for their services. Simultaneously we must improve upon our government's knowledge of oil supply, and sharpen our government's tools to be able to be involved when necessary. We will have to be alert to the need to diversify our sources of imported oil. We will have to continue to offer, as do all other oil importers, food, technology and capital goods and services in return for oil. It is this array of objects which only a government can marshal. It lies far beyond the capability of a private oil company to muster. These represent limited choices for any government. The fact is, we have no options. We have to play in a new game. But it most certainly need not be forever. The limited choices which we now have while we import to satisfy our needs must not be our permanent condition.

The thanks of the club were expressed to Mr. Hopper by William M. Karn, a Past President of The Empire Club of Canada.

OCTOBER 15, 1979

Hospitality: Past, Present and Future

AN ADDRESS BY J.K. Dakin,
EXECUTIVE VICE-PRESIDENT,
CP AIR

JOINT MEETING The Canadian Club of Toronto
The Empire Club of Canada

CHAIRMAN E.G. Burton, President
The Canadian Club of Toronto

The meeting was opened by Mr. Burton, who saluted The Royal York Hotel as follows:

Ode of Sorts to The Royal York Hotel
On the Occasion of its Fiftieth Anniversary

Oh Royal York, oh granite inn
What feasts our memories share!
Our clubs unite, as kith and kin —
The Empire, and Canadian —
To speak your praise with gratitude
In verse of greatest latitude.

In twenty-nine, when you were new
And tall — the tallest yet
Within the Empire (sun n'er set),
You lured the club red, white and blue
With service at a clip
That nowadays . . . just pays the tip!

Oh Royal York, oh host the most,
All the way from Neale to Burton . . .
McKinnon. Cardy. CP Hotels boast
A retinue able, of that we're certain —
With twenty-eight hundred to sleep in the house,
and
Meals to prepare for no less than ten thousand!

Oh Royal York, you call the roll
Of monarchs, stars and statesmen.
The Royal Standard's flown your pole;
Gable's been here . . . so's Bergen.
Lemmon, Liberace, Hope and Davis,
Crawford . . . Englebert Humperdinck . . .
saints save us!

When toasts are quaffed, this is the place,
With thirteen bars to raise them.
When words are preached with ease and grace,
A score and eight rooms praise them.

When Grey Cup comes, the twain do meet
Within your stripped-down lobby,
As East meets West, the sports to treat —
Football's a risky hobby.

Out on the field, the players choose
To gain their yards with glory.
Within these walls, all hell breaks loose,
But that's another story!

Whate'er the game, the house rule's propriety,
And guests must remain in a state of sobriety!

Oh Royal York, you've met our need
When shelter must be given
To refugees from fire and flood,
And wintry snows — hard-driven.
For fifty years your reign has been
A time of grace and favour.
It is our hope, our toast to you:
That you go on . . . forever!

MR. MACNAUGHTON:

Mr. Burton, distinguished head table guests and ladies and gentlemen: In the division of labour for this joint meeting two assignments have fallen to me. They are to propose a toast to The Royal York Hotel and to introduce the man who will respond on its behalf.

The introduction comes first. J. Kenneth Dakin is Executive Vice-President of Canadian Pacific Air Lines.

I recall with amusement my own first exposure to CP Air. Shortly after finishing university and beginning my career a senior officer of our firm, who fancied himself a gourmet, asked me to accompany him to Regina. I was instructed to purchase two first class tickets. Checking the airline schedules I found that only Canada's other national airline flew directly to Regina, so I confirmed two seats on one of its flights.

My superior was horrified. Was I not aware, he asked, that CP Air's first class service included the best cheese tray of any airline in the world? I was sent back to the travel agent to amend the reservation. As a result we took a CP Air dinner flight to Winnipeg, collected our luggage, then changed planes to a regional carrier to get from there to Regina.

The experience is a small example of how attention to detail has established CP Air's reputation for fine service and has convinced thousands of businessmen and women to travel with CP Air whenever and wherever possible.

As Executive Vice-President of CP Air Ken Dakin is the man responsible daily for hundreds of small and large details in such areas as marketing, sales and service, technical services and flight operations. He is a busy man who has worked his way through the ranks of the company which he joined almost thirty years ago.

It is an honour to both the Canadian Club and the Empire Club that Canadian Pacific Limited has chosen an individual of Mr. Dakin's stature and experience within the group of companies to represent them in responding to the anniversary toast today. Mr. Dakin, we welcome you here this afternoon from Vancouver and we are looking forward to hearing from you shortly.

Now if I may turn briefly to the toast.

The sarcastic George Bernard Shaw once observed that "The great advantage of a hotel is that it is a refuge from home life."

I doubt that many members of the Empire Club or the Canadian Club come to weekly luncheon meetings in this hotel seeking refuge from their home lives, but we do come seeking a respite from the work and concerns of our everyday professional lives and to escape briefly into the varied worlds of the prominent men and women who come to address us.

Over the years the members of our two clubs have been able to participate in parliaments and legislatures around the world through visitors such as Prime Ministers Lloyd George, Churchill, MacMillan and Callaghan from the United Kingdom, Premier Meir from Israel, Presidents Taft and Nixon from the United States, Prime Minister Gandhi from India, Chancellor Erhard from Germany and, without naming them all, every Canadian Prime Minister to serve in this century.

We have travelled to the jungles of Samoa with Margaret Mead and to the jungles of the mind with Wilder Penfield; we have moved onto the battlefield with Montgomery and Mountbatten; and we have studied sculpture with Henry Moore, painting with A. Y. Jackson, literature with Margaret Atwood and humour with Stephen Leacock.

We have welcomed to our podium labour leaders such as Samuel Gompers, athletes such as Gene Tunney, bankers such as David Rockefeller and inventors such as Alexander Graham Bell. We have also been honoured to host such members of the Royal Family as the Duke of Windsor, Queen Elizabeth the Queen Mother, and Prince Philip.

People and institutions grow together through shared experiences. Hosting this parade of prominent individuals, along with literally thousands of others, has been a shared undertaking of the Canadian Club or the Empire Club, co-operating in each case with the management and staff of our mutual club house, The Royal York Hotel.

Our relationships have been long ones, in the case of both the Canadian Club and the Empire Club all fifty years of the Royal York's existence. When the decision to pay an extra ten cents per meal to come to this hotel was made, the President of the Canadian Club was Mr. R.O. Daly, who is present at our head table today, and I ask you to give him a special welcome.

The occasion of the Royal York's fiftieth anniversary is one that members of our two clubs approach with enthusiasm and sentimentality because we very much share the spirit of the day with representatives of Canadian Pacific and The Royal York Hotel.

The charming facilities of this hotel, its friendly staff and its understanding management have become an integral part of the traditions of our two clubs. The Royal York has become as much a part of our being as has the Gardens to the Toronto Maple Leafs, 10 Downing Street to Prime Ministers in Britain or Carnegie Hall to the New York Symphony.

During the long period of our association I have heard only one criticism of this hotel, and admittedly it has been a repeated one — it is that frequently the coffee is so strong that members are unable to sleep during Presidents' long-winded introductions of speakers. Lest guests here today make the same complaint and relate it to this toast I will conclude by reading to you a letter sent in 1929, fifty years ago, to B.A. Neale, Manager, The Royal York Hotel.

Dear Sir:

It affords me great pleasure, on behalf of the Executive and Members of the Empire Club, in assuring you that we could not wish any better service in every respect . . . I would like you to convey to the assistant manager, head waiter and waiters, our great appreciation of the cooperation they gave us, and trust that our relationship will be as amicable in the future.

(Signed) E.M. Morris
Secretary
The Empire Club of Canada

I am sure that members of both clubs that join here today to salute the anniversary of this great hotel will agree that Mr. Morris's trust was well placed. Our relations have been constantly amicable for the fifty years since he wrote that letter and, undoubtedly, they will continue to flourish in the years ahead.

Ladies and gentlemen, it is with great pleasure that I ask you to rise and join with me in drinking a toast to The Royal York Hotel.

Ladies and gentlemen, The Royal York Hotel.

MR. DAKIN:

Ladies and gentlemen: it is a great honour, indeed, to be representing Canadian Pacific's Junior Service, CP Air, in responding to the toast to the flagship of Canadian Pacific Hotels, The Royal York Hotel, on the occasion of its fiftieth anniversary.

Fifty years ago, you would have heard the words: "Now in the year of grace 1929, The Royal York opens its doors to cater . . . to those who come to sojourn with us, to provide the hospitality and good cheer for which Toronto has ever been noted and to entertain on . . . a generous scale all those who enter its portals."

The history of Canadian Pacific Hotels Limited is inextricably tied to the history of the Canadian Pacific! Much has been written on the Canadian Pacific — there is much to write about! Next year, on October 21st, the one hundredth anniversary will occur of the signing of the contract between the Canadian Pacific Syndicate, headed by Lord Mount Stephen, the first President of the Canadian Pacific Railway, and the government of the day, led by Sir John A. Macdonald. In a year and a half, on February 17, 1981, the one hundredth anniversary will be marked of the incorporation of the Canadian Pacific Railway Company.

The actual construction and initial operation of the Canadian Pacific Railway Company fell on the extremely competent shoulders of Sir William C. Van Horne. It was within one year of the date (November 7, 1885) when the last spike was struck at Craigellachie, signifying completion of the transcontinental railway line between Montreal and Vancouver, that the company entered the hotel business by opening the Mount Stephen House at Field, B.C.

Three other small dining facilities also were established in the British Columbia Rockies, all designed primarily to deal with the problem of the railway grade between Hector and Field which was the steepest ever regularly operated by a standard gauge railway. This grade was just too steep to justify operating heavy dining cars over this section of the transcontinental route.

Have you been in Banff National Park, overlooking the valley of the Bow River, surrounded by the towering magnificence of the Rockies, the blue skies in between with flecks of white clouds twisting past on the jet stream? It was here that Sir William Van Horne said, "Since we cannot export the scenery, we shall have to import the tourists."

Thus, in 1887, the Banff Springs Hotel was opened to meet Sir William's objective of importing tourists to this part of Canada. This emphasis on tourism has

The Canadian Club and Empire Club Salute to the 50th Anniversary of The Royal York Hotel

John A. MacNaughton, President, The Empire Club of Canada; A. Gordon Cardy, President, CP Hotels Limited; Chuck G. Burton, General Manager, The Royal York Hotel; E.G. Burton, President, The Canadian Club of Toronto; Angus McKinnon, Former General Manager, The Royal York Hotel; and (seated) J. Kenneth Dakin, Executive Vice-President, Canadian Pacific Air Lines, Limited.

been a significant factor in the marketing strategies of the Canadian Pacific Hotel System ever since.

In addition to paying tribute to the imagination, spirit and wisdom of those people who laid the cornerstone for the Canadian Pacific of today, and whose foresight permits us to participate in this Royal Jubilee celebration, I want to pay tribute to all those individuals who, as members of the Canadian Pacific family of employees, over the years have provided and maintained a standard of service for the guests at The Royal York Hotel which has been appropriate for the Empire's finest hotel.

There is a history behind The Royal York Hotel which is intriguing. Here, on this site, prior to the establishment of the Royal York, there was a tradition of hotel excellence which went back for a number of years. On August 27, 1793, the Lieutenant Governor, Colonel John Graves Simcoe, in honour of the Duke of York's military success in Flanders, named the new capital of Upper Canada "York," and periodically referred to it as "our Royal Town of York." On March 6, 1834, the Town of York became the City of Toronto, regaining its Indian name, meaning "place of meeting." In 1862, buildings on Front Street, previously occupied by Knox College, a Presbyterian Church of Canada divinity school, were remodelled and the Queen's Hotel was established.

Now, the Queen's was the first hotel in Toronto to have hot air furnaces, rooms with baths, passenger elevators and a business telephone. Due in a large part to the progressive management of the Queen's, it reigned supreme as the hotel par excellence of Toronto for many years. Nathaniel Benson, a Toronto journalist, wrote: "I well remember dining at the gracious and restful Queen's Hotel with a rich young American businessman. He assured me that there were no such slow-paced dinners, such wine cellars, such veteran servitors or red velvet comfort anywhere else on the continent."

It was in 1928 that the wreckers began their attack on the Queen's Hotel to make way for the construction of the Royal York Hotel. In less than two years, the Royal York was completed. On June 11, 1929, Sir Edward Beatty, Chairman and President of the Canadian Pacific Railway Company, and its directors were honoured at a luncheon tendered by the Board of Trade of the City of Toronto on the occasion of the opening of The Royal York Hotel by Lord Willingdon, former Governor General of Canada. Twelve hundred and eighty-five guests sat down to a sumptuous meal. Today, fifty years later, we are honoured to have with us some of the guests who were present at that luncheon.

1929! 1929 was not really the ideal time to open a new twelve hundred room hotel. Some of you may remember that 1929 opened in the United States as the era of a chicken in every pot and a car in every garage. Prosperity was beautiful. The formula? Calvin Coolidge presented it: "The chief business of the American people is business." Twenty-seven million cars were on the road. Sales of radios soared from $60 million in 1922 to nearly $843 million in 1929. Stock in the Radio Corporation of America rose from a low of $85 in 1928 to a high of $549 a year later, as one and one-half million Americans became stockholders.

In Canada, Hudson Bay hamburger was selling for sixteen cents a pound. You could purchase a new four-door Plymouth sedan for $890.

Flying records were being established and broken almost every day. On June 4, 1929, Canadian Pacific launched air express service between Toronto and Ottawa using National Air Transport aircraft. Canadian Pacific Steamships added Honolulu to its trans-Pacific operation and the Graf Zeppelin arrived in San Francisco after a sixty-seven hour flight from Tokyo.

On September 11th, the Royal Commission on Broadcasting recommended the formation of a government-controlled radio network, paving the way for the Canadian Broadcasting Corporation.

On October 29th, the New York stock market crashed.

On November 29th, Admiral Richard E. Byrd successfully completed his flight over the South Pole.

The end of the year 1929 marked the end of North America's speculative economic orgy, and Canada and the United States entered the Great Depression. No hotels were added to Canadian Pacific's hotel chain from the early 1930s to the 1960s, but additions and improvements to the existing properties continued. The contribution of The Royal York Hotel to the success of the Canadian Pacific Hotel System was well recognized by the expansion, improvements, and facelifting programs which have been undertaken over the intervening years. Today, the dowager queen of Toronto's hotels is, indeed, in good shape to kick up her heels — with a certain stately decorum, of course — on her fiftieth birthday.

I must confess that I have always been a little puzzled about hotels. Now, unquestionably, hotel people may have similar feelings about the way an airline operates. However, in my travels to many countries in various parts of the globe, I have come across situations to which Yul Brynner would refer as "puzzlements."

For example, why is it that you are called a "guest" at hotels where you are charged $40.00 to $50.00 a day?

Do you know that the manufacturers of twenty-five watt light bulbs are kept in business by hotels?

Why is it that you rarely see a bellhop hop?

And those paper strips placed across toilet seats with signed declarations from the management attesting to the complete facility being "sanitized to your satisfaction." I can see the team coming in, all wearing masks, spray guns at the ready, the signal — ready — aim — fire. After three minutes and ten seconds, a customer service inspector arrives, in white smock, white cotton gloves, while the sanitation crew waits apprehensively. He checks, gives a brief nod, and walks from the room, a signal that the inspection has been satisfactory. I imagine that's how it works.

Isn't it a fact: You pull up to the main hotel entrance, get out of your car; your driver offloads two large suitcases and your briefcase, and the doorman always asks, "Are you checking in, Sir?" Where else could you be going?

Who designed the shelves over the toilet seat, so that when you're groping around, something invariably drops in?

Then there's the maid who knocks on the door, opens it in four seconds or less, looks at you and says, "Oh, sorry," and goes. Knocking on doors used to mean "May I come in?" In hotels, it means "Coming, ready or not."

Well, all hotels are not the same, of course. Something to watch in some of them is adequate tipping. I heard of a case where a bellman, assigned a guest's car for parking, considered his tip inadequate. So he, as was the custom in such cases, drove the car to the parking lot, but with the emergency brake on, and while travelling steadily forward at 30 m.p.h. all the way!

Now, in Canadian Pacific hotels, none of these situations can or will occur. These stories do emphasize the point that the staff and management of a hotel are responsible for customer satisfaction or dissatisfaction. The atmosphere depends upon the attentiveness of the staff. Talking of atmosphere — have you ever experienced anything comparable to the atmosphere created at the famous tea ritual in Canadian Pacific's Empress Hotel in Victoria? I mean, even in England? Incidentally, it is true that they may say "lift" instead of elevator, but it's just not true that they all own brollies, have bulldogs, fly Union Jacks, and have never heard of Guy Lafleur.

The Royal York has been designed to meet that peculiar need within people — North Americans, in particular — which has become a national or, perhaps, international pastime — the Convention. It is unfortunate that we have been unable to persuade our American cousins that they should cancel or amend the legislation which was developed several years ago to keep United States' conventioners at home. The problem of the current excess of Canadian visitors to the United States, compared to the number of United States visitors to Canada, would be ameliorated considerably if a change in this legislation were made.

In addition to playing a role in the social, business and convention lives of the communities it serves, the Canadian Pacific Hotel System has provided tourists, both within Canada and from other countries around the world, with an incomparable resort environment which has become known and in demand throughout the world. It is only natural in an industry — tourism — which is critically dependent on both air transport and facilities, that the two elements of the Canadian Pacific family, airlines and hotels, which both pride themselves on providing superior standards of service, should join together in the development of the opportunities available in tourism to and within Canada.

Tourism is big business in this country. I read reports that the Toronto hotel industry is on its way to a record year in 1979. Downtown Montreal hotel occupancy rates in September are reported to be in excess of eighty per cent. Tourism includes and benefits all elements that combine to form the tourist's "experience." It involves air, bus, car rental, cruise, taxi and municipal transportation systems, purchases made at retail outlets, including stores, restaurant and food services, all forms of recreation and entertainment and, of course, local provincial and federal taxes. Tourism pervades our whole life style. It generates income in Canada of over eleven billion dollars, provides over one million jobs, is Canada's sixth largest earner of foreign exchange, and is recognized as the world's fastest growing industry.

But, surely, the true impact of tourism is not simply economic, but human, social, political, cultural and educational. Tourism's role is bringing people and nations together in a vital contribution to the enrichment of all peoples. I believe that Canadians travelling within Canada, resulting in Canadians better informed on many parts of Canada, will do much to develop a Canadian sense of purpose, with full recognition of differences, but acceptance of one collectivity.

Ontario is the key tourism province. Its 8.6 million residents account for fifty-two per cent of Canada's travel revenues and expenditures. In the first six months of this year, more visitors from the United States and other countries visited Ontario than the rest of Canada combined. It is interesting to note that, in these first six months, United States visitors to Canada, staying one or more nights, actually declined compared to the same period in 1978. However, visitors from other countries increased sufficiently to provide for a net increase of visitors over the six-month period. Net increases are reported for the provinces of Quebec, Ontario and British Columbia.

Within North America, more people are travelling domestically and increasing numbers are taking two or more vacations each year. Certainly, in Canada, the devalued dollar is quite a persuasive factor in having Canadians spend their vacations within Canada, as well as making it a great bargain for foreign tourists.

Tourism is critically dependent on air transport, and air transport is completely dependent on aviation fuel. Shortages of supply, due to controlled production by producing nations and planned limitations on increases of oil imports, combined with soaring fuel prices resulting in higher transportation fares, can have a depressing effect on tourism.

Currently, fuel costs are escalating rapidly for all modes of commercial transportation. The necessity for airlines, cruise lines and bus lines to adjust their prices to offset these increases in the cost of energy is generally recognized. Certainly, within the short term, travel will tend to move from the private automobile to mass modes of transportation. En route motor hotels, catering to the needs of the automobile traveller, as opposed to hotel facilities within metropolitan areas which enjoy higher rates and occupancy levels, could face economic problems. On the other hand, car rental agencies' activities will increase due to the reduced use of the private automobile.

Airlines are making substantial progress in reducing fuel consumption on the basis of passenger miles flown. Specific fuel conservation measures, combined with the feature of larger aircraft carrying more passengers, are reflected in the fact that the air segment of the total tourism package — the total cost to the tourist of travel, lodging, food, entertainment and transportation — is the only one which has dropped in price in real terms. Airline efforts to improve efficiency and productivity will continue with bigger, more fuel-efficient aircraft, but the other elements of the total tour package — lodging, food and entertainment, must assist equally in keeping down their share of price increases on the total tourism package.

Today, we are honouring the 50th anniversary of The Royal York Hotel which, itself, has, is, and will be playing a major role in tourism development. Let's just sit back for a few moments and project our imagination in what, admittedly, is a flight of fancy, to the year 2029, the one hundredth anniversary of The Royal York Hotel.

First, by 2029, population stability will be achieved. Zero population growth will be a fact. Women will be truly emancipated, enjoying both children and careers. Inflation will be reduced by increased productivity. However, a substantial increase in the ranks of older people is forecast, as people will live ten to fifteen years longer than they do now. The number of Canadians age sixty-five and over will increase from 2.2 million to 5.5 million. Mandatory retirement at age sixty-five will not be the accepted norm as it is today. Career changes will be more readily achievable and more acceptable. It will be a period of affluence, leisure and creative work for all. Parents will have fewer children; more spouses will be working; couples will have more discretionary income.

Tourism, the world's largest industry in 2029, will be more rigidly controlled. Currently, tourists attracted by the sea coast or the tranquillity of the country environment can have their objectives frustrated by the development of roads, airports, hotels and other facilities which can destroy the very attraction which created tourism interest in the first place. For example, environmentalists have expressed concern over the oil pollution on the French Riviera arising from the large increase in motorboat and yacht traffic. Then, one can see an exercise in increased controls now developing in Egypt. When I was there about five or six years ago, touring the ancient tombs, little apparent concern was shown for the fact that the clouds of dust, the breathing and perspiring of the tourists, and the rubbing of the wall paintings by guides and visitors alike would soon result in the destruction of these priceless antiquities. Fortunately, steps are now being taken to cover these paintings with glass, the size of tour groups has been reduced, and scheduling of visits to the pyramids and the tombs is more carefully planned. In Mesa Verde National Park in Colorado, the number of visitors to the Indian cliff dwelling site is being restricted. Recently, in Paris, environmental ministers of the Organization for Economic Co-operation and Development met and agreed to a series of recommendations designed to reduce future environmental damage from tourism.

By 2029, the energy crisis will have passed. A conversion to hydrogen, solar and fusion energy will introduce another era of cheap energy supply. Air transport, relying on portable fuels, will be moving to liquid hydrogen. The lead time for such a move is over thirty years for the development of manufacturing and distribution facilities and, so, in the year 2029, aircraft powered by liquid hydrogen probably will still be in the minority.

Space travel will be not uncommon, as thousands of people daily travel into space for both business and pleasure. Trans-oceanic flights for people and freight in suborbital space vehicles will be the developing norm. Ray Anderson, Chairman, Lockheed Corporation, visualizes giant cargo planes carrying most of the bulk freight in the United States by the year 2029.

It used to be a slogan in the airline industry that "your vacation starts when you leave" — a portal-to-portal vacation concept. People were encouraged to recognize that the airplane trip is part of the fun of travelling. But have you been out to Malton lately on a Friday night, trying to go anywhere? I understand the process is much simpler if you label yourself "Air Freight." But projections for increased passenger traffic are startling. The Hudson Institute in the United States projects air revenue passenger miles increasing between 1979 and 2029 by over 1100 per cent. Currently, in the United States, sixty-five per cent of all passenger boardings occur at only twenty-five airports. A growing number of airports are being saturated with traffic — now!

Technological advances by the turn of the century, affecting the problems of separation and control of aircraft, will help, but the problem will become acute until something is done about it! For example, the current annual cost of delays at O'Hare Airport in Chicago, alone, is estimated to be $44.3 million.

One of the more interesting developments will come from the combination of activities in the communications and information processing industries. Computerized telecommunications systems, hooked to your television set to provide video display, will permit you to shop at home. You will be able to review, in the environment of your own living room, a mass of information on destinations, accommodation, and even the airline which you would select for your vacation. You will be able to make your car reservations and guided tour arrangements from your home, insert your credit card and automatically be issued a confirmed reservation, your ticket, a boarding pass, and a free drink voucher to cover your delayed departure from congested Malton Airport.

As technological developments in information gathering and presentation techniques make travel arrangements through one avenue more practical, an even closer relationship between air carriers and hotels is projected for the future. We, in CP Air, look forward to this opportunity of even closer integration with CP Hotels over the next fifty years.

Today, in our Royal York Hotel, surrounded as we are by this imaginative and beautiful Canadian decor, reflecting the history, tradition and people of the provinces and territories of Canada, it appears fitting to me to use, with some licence, the words of Sir Edward Beatty, Chairman and President of the Canadian Pacific, on the fiftieth anniversary of the Last Spike ceremony at Craigellachie, in talking to the staff about its commitment to the future: "I firmly believe that . . . there lies before us another period of constructive national usefulness and profitable operation. Much depends upon the effort we each put forth and our continued loyalty to the high standards the past has placed before us. . . . Our country, our company, and ourselves — we shall continue to serve all three in loyalty and in zealous effort."

The thanks of The Empire Club of Canada and the Canadian Club of Toronto were expressed to Mr. Dakin by E.G. Burton, President of the Canadian Club of Toronto.

OCTOBER 25, 1979

The Association of Tomorrow

AN ADDRESS BY The Honourable
Pierre Marc Johnson,
MINISTER OF LABOUR,
PROVINCE OF QUEBEC

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: The visit to us today by the Honourable Pierre Marc Johnson, Minister of Labour in the Government of Quebec, is in keeping with a tradition that began in 1904 during our first season. At that time the Honourable L.P. Brodeur, Member of Parliament and Laurier's Minister of the Interior, became the first speaker to come to this podium to bring a message to members of the Empire Club from the people of Quebec. Mr. Brodeur has been followed by many others including Premiers Taschereau, Godbout, Barrette, Lesage, Bertrand and Bourassa, and many of their ministers.

A recitation of some of the titles of the addresses which these men delivered, and which are recorded in our yearbooks, indicates the steady evolution of the message from Quebec during the last seventy-five years. It also underlines, in a sometimes embarrassingly blunt way, why for many in the current generation of Quebec political leaders the status quo of the Canadian confederation is unacceptable.

Here is a sample of titles of some of the addresses:

1904 — The Loyalty of French-Canadians to the Empire (by Interior Minister L.P. Brodeur)
1922 — One of Canada's Assets, the Habitant (by Premier Taschereau)
1940 — Quebec and PanCanadian Unity (by Premier Godbout)
1960 — Our Partnership (by Premier Barrette)
1964 — The Present Evolution of Quebec, its Meaning and its Scope (by Premier Lesage)
1969 — Quebec in the Confederation of Tomorrow (by Premier Bertrand)
1972 — Inter-Provincial and Federal-Provincial Relations (by Premier Bourassa)

A reading of these speeches in chronological order highlights the developing aspirations of the people of Quebec. Each successive speaker expressed a pride in the history of Quebec and, at the same time, each stated a confidence that the French-speaking community on this continent could survive, indeed could flourish, within a Canadian federalism. With varying degrees of emphasis the succession of speakers advised of the need for certain reforms of the division of authority and for understanding of the uniqueness of the French-Canadian culture, but underlying all of the addresses was a confidence that Canadian federalism and Canadians themselves would respond in the ways and with the sympathy necessary to maintain this nation as a unified country.

The repeated expression of this confidence in the capacity for accommodation came to an abrupt end in 1977 in an exceedingly frank address to us by Parti Québécois Finance Minister Jacques Parizeau. It was entitled "Four Months After." In his statement Mr. Parizeau served notice that fine tuning of the British North America Act would no longer be sufficient to accomplish the kind of changes sought by the people of Quebec through their newly elected government.

While many members of this club were unhappy to hear Mr. Parizeau's message, you will be relieved to learn, Doctor Johnson, that, unlike the practice in ancient Greece, there were no efforts to slay the messenger. Indeed anything other than an open-minded approach and a warm reception would be inconsistent with the character of the exchanges between leaders from Quebec and members of the Empire Club as put in perspective by Premier Godbout who began his address in 1940 with the following words:

> Ce n'est pas la première fois que la voix française de Québec se fait entendre au coeur même du Canada anglais. Vous avez accuelli les orateurs avec une bienveillance marquée. Il est résulté de cette rencontre, de cet échange d'idées qui suit toujours une allocution, lorsque discoureur et auditoire sont des amis, une intelligence plus vive de l'histoire, des caractères et des moeurs du Canada français, et, partant, une sympathie plus directe et plus agissante.
>
> De tel contacts sont précieux. Il ne faut point perdre l'occasion de les renouveler.

Certainly all present would agree with Premier Godbout's sentiment that these visits from leading spokesmen from Quebec are valuable; no doubt those in the audience who are familiar with the background and accomplishments of today's guest of honour, the Honourable Pierre Marc Johnson, will also agree that it is our good fortune that an individual of his reputation and experience has agreed to be with us on the eve of the Quebec referendum on sovereignty association.

Our guest has distinguished himself academically, professionally and politically. He is a lawyer, a medical doctor and a government minister. Many people, in fact probably most, would regard any one of those achievements as the hallmark of a successful lifetime, but for Pierre Marc Johnson all three had been accomplished by the age of thirty.

Dr. Johnson is a man who has grown up surrounded by political debate. Son of a respected and trusted Premier of Quebec, the Honourable Daniel Johnson, he was raised in a household where politics was part of the daily family diet. As a student during the 1960s he came of age at the time of the awakening of Quebec, the period of the Quiet Revolution.

It is more than just a courtesy to our guest of honour to observe that in Pierre Marc Johnson is embodied a synthesis of the cross-currents of the political soul searching of our neighbours in Quebec during the last twenty years.

It is our privilege to have him with us today to present his views on "The Association of Tomorrow."

Ladies and gentlemen, please welcome the Honourourable Pierre Marc Johnson.

THE HONOURABLE
PIERRE MARC JOHNSON:

Ladies and gentlemen: In exactly one week from today, the Government of Quebec will hand down and render public its white paper on sovereignty association. In the months to follow, an important public debate will start, adding to what has been more or less an ongoing debate since November 1976. This phase will culminate in December with the formal disclosure of the proposed referendum question. As provided for in the referendum law, the debate will then move to the National Assembly for discussion in Parliament, sometime at the end of winter. The outcome of it all will be the referendum itself, which will take place during the spring, when Quebeckers will be asked to answer "yes" or "no" to a clear question.

What will take place in Quebec in the near future, is then basically the unfolding of the democratic process in a modern society. The coming months will be extremely important, not only for Quebec, but also for Canada and for Quebeckers as well as for Canadians. We should keep in mind that, whatever the results the morning after the referendum, we will still have to live with each other.

This process, besides being democratic, is also quite legitimate: for the first time in their history, Quebeckers will be able to express an opinion on the political institutions governing them.

All residents of Quebec, provided that they are eligible under the normal electoral rules, will be able to vote on referendum day. It is legitimate that this vote should be restricted to people living in Quebec, since we, as a people, have a right to self-determination, a right recognized under general principles of western civilization and embodied in international law. Three hundred years of history proves without a doubt that there might be some ambiguity attributable to the fact that not all Quebeckers necessarily consider themselves as French Canadians and that all French Canadians are not necessarily residents of Quebec, but this ambiguity does in no way deny the concept of a different people in Quebec.

Since Canadian institutions as such will be touched by the object of the referendum, Canadians are concerned — if not worried — about this coming debate. Of course Canada and Canadians in general will have something to say when the referendum is over, when a majority of Quebeckers will have said "yes" as I believe they will. For years now, Canadians have been asking "What does Quebec want?" We thought we should ask ourselves first and answer after.

I hope that the positive answer to this referendum will be a turning point and the dawn of a new relationship between the two founding people of this country.

The Honourable Pierre Marc Johnson, Minister of Labour, Government of Quebec; John A. MacNaughton, President, The Empire Club of Canada; the Honourable John P. Robarts, Former Premier of Ontario and Honorary Solicitor of The Empire Club of Canada.

I hope the referendum debate, as well as its outcome, will permit us to set down the basis for building, not only a harmonious relationship between our two people, but also something original and satisfying for all of us, together.

What will be proposed to Quebeckers is sovereignty association.

Sovereignty association, either as an expression or as a concept, has been more or less well defined or deformed. On one end of the spectrum some see it as contradictory in itself, a scheme to manipulate the population, or as a "having your cake and eating it too" attitude of Quebeckers. On the other end, others in Quebec see it mainly as a cataplasmic renewal of federalism. That, as they see it, could include repatriation of the Canadian Constitution, coupled with special status for Quebec.

If the debate is to be fully democratic for Quebeckers, and clear for Canadians, a more explicit presentation is needed.

The notion of sovereignty association was developed eleven years ago by a group of Liberals who left Jean Lesage's party after his defeat in 1966. At that time, these men and women founded the "Mouvement souveraineté-association" with Mr. René Lévesque as its leader. Eleven years later, the basis of what has been said and written by this government, and what the white paper will be about, can be found in the "movement's" first platform. A year later, that movement transformed itself into a political party, which grew progressively through the joining of indépendantists from either the R.I.N. or the R.N. who softened their position on independence; or from the most nationalist wings of either the Liberals or Union Nationale. At the same time, the notion of sovereignty association was refined and perfected as it came under the public's eye, while the party became the official opposition and of course when it became the government.

Sovereignty is essentially self-government or, more precisely, it is the exclusive right to tax and make laws on a territory and to assume a full and equal relationship with others. Sovereignty means equality of rights between peoples.

Association comes from recognition of the special nature of what Canada is as an economic entity. It is also a commitment to our historical intimacy, what our peoples have shared on this land, as well as a statement of the will of Quebeckers to build something different here, together with the rest of Canada, a Canada to which we still have as a people a sense of belonging.

Association, in economic terms, means the maintaining of the daily economic life of Canada. Association is the creation of common institutions on the basis of a treaty binding the two partners, and specifying the power that the two governments agree to exercise jointly. The association would also establish the composition of these common institutions, the way in which their decisions should be adopted, and the measure in which their decisions would bind both governments.

Association also means that the institutions created to regulate areas of joint activity, and the mechanisms for the interpretation and arbitration of the agreements, should be constituted on the general principle of parity. It also means that the resources required for the proper functioning of these institutions should be provided and allocated through negotiations between the parties. It also means creating a decision-making body composed of ministers delegated by each government and acting within a mandate from their government.

If we try to pinpoint a more precise economic content, we should first emphasize our belief in free trade and in the free flow of goods, with all parties waiving their rights to erect various barriers at their common boundaries and forsaking all recourses to any form of indirect hindrance that would not be explicitly provided for in a common agreement.

It would also mean the maintaining of a common tariff as protection against third parties, if considered necessary for the long- or short-term interests of one or both parties. It would mean the mutual recognition by both parties that, on its own territory, each has the right to protect its agricultural production, to implement temporary programs to combat specific economic or manpower problems and, finally, rights to put forward preferential buying policies.

Secondly, the economic association would include the recognition of the dollar as the continuing and only currency having legal tender.

Thirdly, we believe in the free flow of capital, providing each party's right to enact specific provisions relative to the regulation of certain financial institutions. All other temporary or permanent measures not within the norm of the general principle of free flow should be negotiated as a specific agreement.

Finally, the association concept also embodies the notion of free movement of people between territories, with both states reciprocally waiving their right to impose border controls. Common arrangements regarding manpower problems, labour market planning and immigration should be encouraged as they are in certain cases today.

In fact, sovereignty association implies by definition reshaping Canada. It can be a tremendous and valuable challenge for both our communities. Would we not have the unique opportunity to live through historical moments? Are we not big enough for them? I believe we are and our history tells us so.

It is important to underline — because it is often forgotten — that since the end of the French régime Canada has known five constitutions. After 112 years, devising a sixth one should not be such a traumatic experience.

Indeed, in 1763, after three years of military rule, the Royal Proclamation, and the other ordinances completing it, imposed British rule on the newly acquired French populated territories. That proclamation was, indeed, the first constitution of Canada.

Sir Guy Carleton observed that British law and customs were fundamentally different from those of the French culture of "les Canadiens." Through what is known as the Quebec Act, Carleton got the colonial office to reinstate in Canada "le droit coutumier" and religious freedom in 1774. This was our second constitution.

In the following years, with the coming of the Loyalists from the United States, the Constitutional Act of 1791 did not even create a sovereignty association model of society for Canada: it did put in place a separatist model, with the creation of Upper and Lower Canada. Each had its separate assembly and executive council; each was dominated in the assembly by an English or French majority.

The act of 1791 was in fact our third constitution which was the factual recognition of the principle of the two founding nations. It was also the recognition of political duality in Canada. Even if Upper and Lower Canada were under the trusteeship of the colonial office, and the executive power embodied in the executive councils was not responsible to the legislative assemblies, the principle of the duality of nations was already a fact of life in those early days.

In 1838, London sent Lord Durham after the violent events surrounding the armed uprisings in both Upper and Lower Canada over the question of responsible government and subsidies (and this is a good example, incidentally, of common objectives shared by the two founding peoples).

Durham found, in Lower Canada, a nation of "Frenchmen although different from those of France" and, within Lower Canada, "two nations at war in the bosom of a single state." This was a hundred years before the Laurendeau-Dunton Commission recognized biculturalism. It was also a long time before the Pépin-Robarts Commission emphasized the dual character of Canada and recognized the tensions generated by any political system ignoring it.

But at the end of the 1830s, peace had to be restored. In that context, Lord Durham conceived a long-term plan of minorization for French Canadians through the creation of new institutions which, in a transition period, would provide for equal representation of both Upper and Lower Canada in a united Parliament. This gave way to our fourth constitution and the Act of Union of 1841 provided equality of representation although the population of Lower Canada was more numerous than that of Upper Canada. That united Parliament was no success.

That finally got us to 1867 and a fifth constitution for Canada, the British North America Act. So Confederation began.

Thus through time, conditions changed, and our ancestors adapted to them. Many conditions have changed since then, but we seem unable to adapt. Constitutions and laws as much as possible should be made for people. It should not be the other way around.

Confederation was essentially a federation and, of course, the two central provinces had an important role to play in it. But it was created in such a way that the federal system gradually evolved and changed through centralization of powers in the hands of the federal government. It is only weakly that the British North America Act recognized, by the notions of bilingualism, that Quebec maybe was not "une province comme les autres."

As early as 1887, a Quebec politician, Premier Honoré Mercier, convened the first inter-provincial conference to assess the success and shortcomings of the federal system initiated twenty years earlier. One of the recommendations of that meeting was that senators should be nominated by the provinces. Ninety-two years later, a certain document published by the federal government and called "A Time for Action" offered that idea as an innovation that would solve some of Quebec's problems.

One is not born a sovereignist in Quebec, nor is it a disease one catches, but it sometimes takes as little as one federal-provincial conference to become one. The example of the Senate nominations I just gave you is symbolic of the kinds of frustrations Quebeckers, *especially Quebeckers*, have been living with: the time-consuming process of waiting decades or a century to have a demand for a minor change offered back as an irresistible new breakthrough is frustrating.

In Quebec we have plans and priorities, we have a vision of what is best for our development. We want to build a society that could offer a challenge to an often alienated people. We want to make choices to build and face the future, but the constitutional snail pacing has precluded us from effectively acting on these priorities. It has prevented us from innovating and implementing plans or ideas; it has slowed our development as a people. Imagine the frustration it can generate on vital issues. As the French poet André Frenaud said: "Eternity is a long time, especially towards the end."

Public figures in Quebec's history, from Honoré Mercier to René Lévesque, have taken the notion of provincial autonomy as a central theme of our action. Quebec, since the turn of the century, has become more and more conscious of itself, more and more aware of the necessity to exercise its own power in all the realm of its activities.

In the 1960s, the Quiet Revolution was punctuated by political slogans appealing to the identification of Quebeckers to their own territory: "Quebec." It was also the time of a great cultural effervescence, the rise of the chansonniers and poets whose influence in the daily lives of the people is phenomenal and is often underestimated. It was also a time of fast growth and development, especially urban development, a reorientation of the economy and, as in the rest of North America, a booming of the service economy.

In that period, government also started playing a tremendous role in the life of Quebec. French Canadians, because of the limited access to executive jobs in the private sector, started devising new means to translate their dreams and aspirations into realities. Through governments, or innovative approaches, like the Caisses Populaires, or co-operation in sectors like food distribution and the concept of centralized buying for independent store owners, Quebec started to move towards the future. An opening on the outside world which had been denied to us was achieved through international representation. The "Maison du Québec" in Paris opened the way to other such undertakings in other parts of the world. Billions of dollars of our collective wealth were invested in education. From a poorly educated province, Quebec became one of the most scholarized societies in the western world. A tremendous improvement program for universities was launched. Literally an explosion of legislation in the sectors of health and welfare brought along the allocation of substantial budgets to catch up with others. The expansion and development of Hydro-Québec took an average government undertaking to the forefront of utilities in North America, in terms of assets, energy produced and technological development. The creation by the Quebec Government of the Caisse de Dépôt et de Placement gave us a multi-billion dollar financial tool which is today the largest holder of Canadian companies' stocks — in itself a good proof of our confidence in the future of Canada, whatever the results of the referendum.

We are now cashing in on those massive investments in education. The public sector in its drive for growth took most of the early crop. Now fine-tuned universities, with professors with degrees from the world's most prestigious schools of higher learning, are producing French-speaking engineers, architects, scientists, professionals in all fields, administrators and accountants, for whom Quebec should be the centre of activities, the place where things are getting done and where they can have real, effective influence.

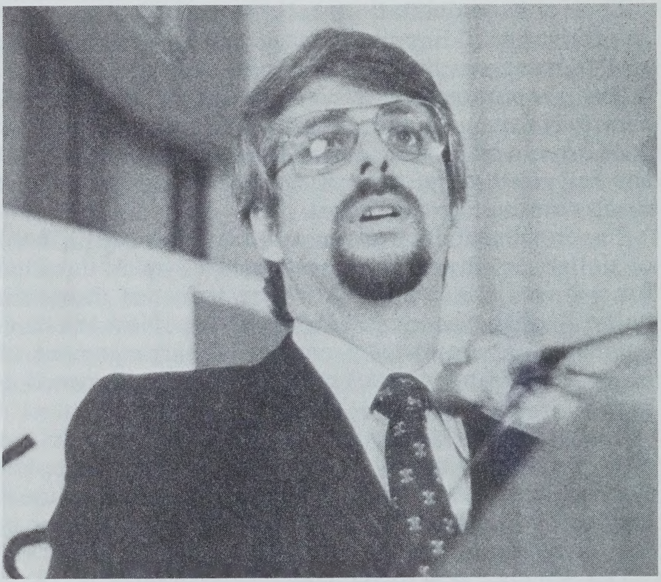
Their rising expectations call for new challenges and new openings. They realize that the constant arguing and fighting required in the present federal arrangement is counter-productive and sterile. They know now that Japan, Germany and the Scandinavian countries are ahead in the economic race because they use the full strength of their national cohesion to set and reach common goals.

The previous federal government threw away millions of dollars to camouflage these realities by an uncalled for bilingualism mystique in the name of Canadian unity. English Canada got rightly fed up. Now the Parti Québécois is proposing a change, a rearrangement of powers based on mutual respect, on equality and on justice.

In that family known as Canada, one of the sons has grown. For thousands of years humans have accepted the fact that maturity confers equality of rights. Quebec is now a mature society, ready to take its place in the Canadian arrangement.

The Magna Carta recognized the emergence of a new power, centuries ago in England. By granting it, the king gave his barons new powers. But he also set the base for a political system that brought along an empire that this club celebrates and that expanded western civilization. Together, Canadians and Quebeckers alike, through imagination and tolerance, should stop fighting and start building in equality a new system that could help us face the tremendous economic challenge of the eighties.

There is rough sea ahead. The world economic order has to be rearranged. Energy, pollution, scarcities in resources, coupled with the limitless possibilities of information processing, of science and technology set the stage for incredible changes. We need all our strength, all our ideas to face the choices ahead. Do we really need a perpetual fight over constitutional problems?



Hon. Pierre Marc Johnson,
Minister of Labour, Government of Quebec

Why not try a little exercise in reverse thinking here? Try to imagine that Canada is eighty per cent French-speaking, that the whole of North America is ninety-six per cent French-speaking, that Ontario is a province where you constitute the vast majority of those who are the English people of this continent. Try to imagine that English community, centred in Ontario, historically recognized because it is one of the founding peoples of Canada, who have participated in its political institutions, but having been more or less marginalized with time. Suppose you are not really at the centre of the decisions taken in the Parliament of Hull. Try to imagine the fast growth that your intelligence and imagination would bring in internal development but remember that the basic powers to make planning decisions are still eluding the Ontario government and are mostly in the hands of a parliament dominated by members from nine other French-speaking provinces. Many of these French provinces have a smaller population than Toronto. Suppose you could, with a democratic referendum, become masters in your own house by bringing back to Ontario the whole of your tax base and the whole of your legislative powers.

What would you decide? What would you decide if the alternatives were another century of sterile discussions, of divisions even among yourselves and, eventually, of assimilation?

Would you not accept the idea of having legislative rights, taxes, capacity to influence every aspect of your community's future from communication to immigration, especially in terms of economic orientation, development, creation and setting of institutions, priorities of internal regional development, the priorities and choices of all kinds that are made in a modern society?

Would you not be tempted strongly to choose to capitalize on your *difference* instead of wasting energy, time, even happiness trying to fight it? And at the same time, would not the rest of Canada be worth saving and be worth developing, even in a French setting, just as it is worth developing and saving now in an English setting?

Whatever our opinions on constitutional matters, there is an indisputable fact — a stubborn fact that two hundred years of ignoring and negating were never able to change: Quebec *is* different. There is a difference, whichever way you look at it. And that "difference" does not make Quebeckers better or worse than Canadians. They are simply different.

That difference is here, it is a fact. Though it is hard to pinpoint, it is more than only language and culture.

It is something far more complex. "La différence" probably originates in the different evolution we had to live through. With certain fields denied to us, we compensated by developing other parts of our existence, and three hundred years of "specialization" gave us a different outlook on life. "La différence" is more than the by-product of an educational system. It manifests itself in market fads as well as in fundamental structural differences. It is the denying of "la différence" that must come to an end, because that difference instead of being a source of division should be a positive force. At various points in Canadian history, that difference served to keep Canada as it is. In certain areas it helped to keep Canada as a different entity from our southern neighbours.

It is this very difference that was, ironically, the cement of a sometimes tense relationship between the two founding peoples. It can also be the cement of something to look forward to, when Quebec has decided what it wants. That difference, but also that will to build together, is still there in all of us Quebeckers to go on making of Canada and Quebec something different.

Of course, it is true that Quebec is rocking the boat with the referendum. But then this is not really new; the province has so many times done so, voicing its dissatisfaction with our system, constantly complaining and sometimes finding therein easy alibis. This is one of the advantages that Canada should find in the referendum: the prospect of a peaceful Quebec. It should answer at last the proverbial question, "What does Quebec want?" It should clear the air of the constant beating around the bush that has lasted long enough.

Of course the interdependence of our economies is in that context one of the main motivations for both of us not only to maintain but to build something together. Billions of dollars worth of goods and services each year go between Quebec and the rest of Canada, playing an important role on each other's markets. Tens of thousands of jobs reciprocally depend on one another (the textile worker or the machinist of Quebec, the auto worker in Ontario, or the cattle breeder in Calgary). While the Canadian citizen, in his daily life, would not really notice Quebec's accession to sovereignty within the context of sovereignty association, both the Quebec and the Canadian resident could not miss noticing a major rupture in the Canadian economy.

In a certain sense, as an old uncle used to say, if you go fishing on the lake and it gets cold, you shouldn't try starting a fire in the boat by lighting the oars. Besides these reciprocal although unequal interests in different sectors, there are other reasons that might not be more important in terms of development, but that make the notion of association not only viable but thrilling for Canada as a whole.

Besides sharing inflation, unemployment and a devaluation of the dollar, we have had in the past and still have a few things in common besides our economies and our markets: we share certain ways of living. We share a feeling as Quebeckers that what is Canadian is also ours, just as many Canadians also feel that what is from Quebec is theirs.

Maybe that ambivalence is not strong enough to build, pay for and endure, as far as we are concerned, a central government, but it is there nevertheless. Civil liberties and democratic values are as "Québécois" as they are Canadian in tradition. Our common, even if sometimes tense, history fundamentally links us together and is something to look back on. Of course, a certain unilateral flavour in a Quebec referendum is forcing Canada to redefine itself. It may be difficult to accept but should it not be seen as a challenge? Is it not a terrific challenge for both our people to look forward to undertakings in which we would both have a sense of fulfilment instead of having a sense of just bearing one another?

After the referendum, the question of your attitude towards Quebec will be essentially for Canada to answer. I hope that during the debate which is coming we will all keep in mind that whatever happens history will keep going on, but geography will stand still and keep us as neighbours forever.

Will we keep the pioneering spirit and the open mindedness that gave us five constitutions up to now, when they were needed, or will we remain prisoners of fear and prejudice? Will we find solutions that tap the best qualities of the two founding groups?

I would hope, after the referendum has been won, that the history text books will say that through imagination the Canadian federation solved in 1980 its major problem: the Quebec question. That it invented a new kind of union and a new set of institutions. Let history say that both the Canadian people and the Quebec people got together and created common institutions related to their common interests. Let the future acknowledge that this did not solve all the problems of Canada, but it allowed two people to develop more freely, each according to its own will, its own priorities and its own identity, in a spirit of co-operation if not of outright cordiality.

The thanks of the club were expressed to Dr. Johnson by Terrence Tyers, a director of The Empire Club of Canada.

NOVEMBER 1, 1979

Economic Outlook and Fiscal Planning

AN ADDRESS BY The Honourable John C. Crosbie, MINISTER OF FINANCE

CHAIRMAN The President, John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: Almost two thousand years ago St. Luke, in Chapter Two, verse one, wrote the following, "And it came to pass in those days, that there went out a decree from Caesar Augustus, that all the world should be taxed." From that day until the present mankind has been vexed by its tax bills and a debate about all aspects of taxation has raged on relentlessly.

The Canadian who is currently at the centre of the debate on taxation, on all aspects of fiscal and monetary management, is our guest of honour, the Honourable John C. Crosbie, Minister of Finance in the Government of Canada.

Mr. Crosbie has held the key finance post in two different levels of government. In 1972 he was appointed Minister of Finance, President of the Treasury Board and Minister of Economic Development in the Province of Newfoundland, a province noted for testing its cabinet ministers regularly and rigorously. The approval of electors in the province for his stewardship of their financial affairs, along with that of several other portfolios he held during a ten-year career in provincial politics, has been given in six consecutive successful election campaigns, four provincial and two federal.

It is understandable that the people of his native province were bursting with pride when on June 4th of this year, John Crosbie became the first Newfoundlander since Confederation to be appointed Canada's Minister of Finance. Their pride was compounded by the fact that at the same time James McGrath, another Newfoundland Member of Parliament, was also appointed to the cabinet, in his case as Minister of Fisheries. The result was that the Clark government became the first in Canadian history to have two Newfoundland cabinet ministers. In keeping with the sense of humour of our compatriots down east, the Fisheries Minister and the Finance Minister are affectionately referred to in the taverns of St. John's as Mr. Fish and Mr. Chips.

There are thousands of people in Canada who are prepared to give Mr. Crosbie advice on how to run the financial affairs of this country, but there are few, if any, who covet his job. With interest rates, the trade deficit, oil prices and the rate of inflation going up and the rate of real GNP growth and the dollar going down, Mr. Crosbie has what surely must be the most difficult job in Canada.

A man with the pressures and problems that he faces on an almost hourly basis could be expected to understand and sympathize with the lament of Woody Allen who once said, "Most of the time I don't have much fun. The rest of the time I don't have any fun at all."

In charting a course through the difficult period that virtually all forecasters anticipate for North American economies during the next year or two, Canada is fortunate to have a man with Mr. Crosbie's experience, his determination and his values at the helm of the Department of Finance.

For any who weren't already certain of what his philosophy as Finance Minister would be, it was made clear earlier this week at a meeting of the House of Commons Finance Committee where he said, "The setting of economic policies based on long-term economic reality, not short-term political popularity, is the challenge we face."

Comments in Canada's two leading financial weeklies at the time of his swearing in were succinct and in agreement on the qualities Mr. Crosbie brought to the Finance Ministry. Said *The Financial Post*, "Publicly Crosbie is folksy and funny, given to excruciating puns. Privately, he's known as shrewd, strong-willed and incisive." In *The Financial Times*, George Radwanski, after interviewing Mr. Crosbie wrote, "the impression that came across was of a confident, very tough man who, having accepted the economic hot seat, is determined not to be pushed around in policy matters by anyone, including the new Prime Minister."

Mr. Crosbie himself commented at a press conference in early September that, as Finance Minister, he wanted to be known as Mr. Tough Guy rather than as Mr. Nice Guy.

I am sure, ladies and gentlemen, that after listening to him today you will agree that in all likelihood the legacy of John Crosbie will be that he was both. It is my privilege on your behalf to welcome to our podium the Honourable John C. Crosbie, Minister of Finance in the Government of Canada.

THE HONOURABLE JOHN C. CROSBIE: Within the next few weeks I will be presenting the first budget of the new Conservative Government. The economic situation in Canada gives me little room in which to manoeuvre in drafting that budget; the requirements of budget secrecy give me little freedom in discussing with you this afternoon the policies I will propose in that budget. For advance knowledge on those policies you will have to rely, as I do, on *The Globe and Mail*.

Because of those restraints, I therefore intend to deal with the general economic stance that will be taken in the coming months by the government and, in particular, about our position on interest rates.

You may have heard rumours of my appearance on Tuesday of this week before the Standing Committee of the House of Commons on Finance, Trade and Economic Affairs to discuss interest rate policy. If, by chance, you are one of those Canadians who follows the procedures of Parliament and are already familiar with what was said in that committee hearing, I make no apology for returning to the subject this afternoon.

The course that has been adopted by the Bank of Canada, and it is one the government supports, is one that will have impacts on many sections of the Canadian economy in the next few months. I think it is important that Canadians understand clearly and in detail the reasoning that lies behind that situation and the implications.

Many of our decisions in the economic area have been unavoidable. We had and have no reasonable alternative, and that is a second subject I would like to deal with — the other reasonable options that were open to us.

The economic difficulties that face Canada today are not new. They did not arise overnight. They will not disappear overnight. I cannot solve with one budget the deep-seated inflationary pressure that has been taking an increasingly deep hold on the Canadian economy over the past ten years. I cannot solve quickly an eleven billion dollar budgetary deficit or a current account deficit on international payments of over seven billion dollars. Those three factors — inflation, the budgetary deficit and the international current account deficit are among the most severe of the legacies we are left with as a new government.

But if it is true that we cannot solve these difficulties overnight, and that they are the result of actions that occurred before this government came to power, it is equally true that we cannot deal with them by blaming them on someone else.

We have the opportunity as a new government to make fundamental corrections in economic policy that will benefit Canada for the long term. I believe in long-term solutions based on economic reality; not short-term cosmetic tinkering based on political popularity.

Those long-term solutions start with a realistic assessment of our present situation — the realities of our trading patterns, economic productivity, debt and deficit positions, and so on.

It would be possible for us to continue with the monetary policy that has been recommended and put in place by the Bank of Canada and counter it, on the other side, with increases in government spending and with new programs to protect Canadians who will feel the impact of higher interest rates. We could take with one hand and give with the other.

But surely that policy has been tried before. Surely that policy was followed for most of this decade by the previous government and surely it is clear that on May 22 of this year, Canadians decided they wanted a change.

What form will that change take?

As Minister of Finance since June 5, I have not been besieged by people volunteering to take a cut in their standard of living, and thus stand in the vanguard of the fight against inflation, presenting their ox to be gored first. But neither have I found Canadians so unrealistic, so naïve as to expect and believe that we can achieve our economic goals without real sacrifice. My message to you today, simply expressed, is that if those sacrifices are made now, then we can put ourselves in a position to reap increasing real benefits in the years ahead.

In all the history of Canadian politics I don't suppose that there has ever been a federal politician who did not talk about his belief in Canada's potential. The catch is that Canada's potential is not achievable unless we solve the problems of inflation, of the budgetary deficit, of the imbalance of international trade, of energy supply and distribution.

I would like to deal in some detail with the reasons for the high level of interest rates, and alternatives we could have chosen.

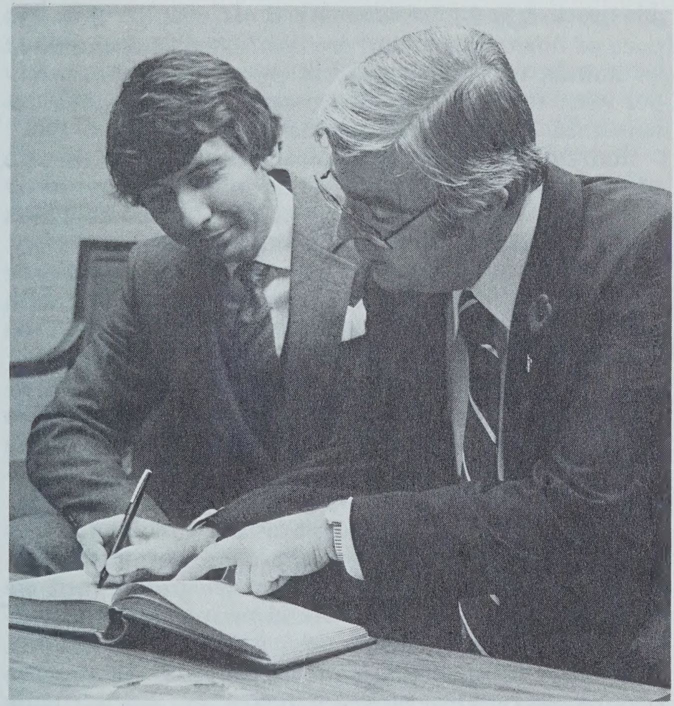
As I noted earlier, the most important reason is our inflation rate. Prices have risen much faster in recent years than at any time since the Korean war. These increases have been so persistent that there is now a widespread expectation that inflation will remain high in the years ahead. As a result, when people lend money they feel it will be worth less when it is repaid. They demand a rate of interest which will compensate them for at least some of that loss.

Borrowers, on their part, are prepared to pay the higher rates of interest because they expect they will pay less now for the goods they buy than they will have to pay if they wait, and they will be able to repay the loans in devalued dollars.

That vicious circle has to be stopped and interest rates high enough to slow borrowing are part of stopping it.

Are there other devices that could have been used to accomplish this end which do not involve higher interest rates? Yes: a comprehensive system of controls.

Such a system would require detailed decisions as to which classes of borrowers should be able to obtain funds from which financial institutions and for what purposes and in what amounts. Measures would also have to be taken to ensure compliance. Moreover, steps would have to be taken to make sure that savers and investors did not divert funds to foreign markets to earn a better return and this would involve a comprehensive system of foreign exchange controls.



John A. MacNaughton, President, The Empire Club of Canada, and the Honourable John C. Crosbie, Minister of Finance

Direct controls on consumer credit and exchange controls have been used on occasion in Canada, mainly during World War II, but experience with such controls has led Canadian governments to avoid them if possible and, for my part, I would be opposed to proposals to use them in current circumstances. I object to them on principle; I object to them unless and until circumstances become so catastrophic that they can no longer be avoided. So if we wish to slow the pace of borrowing — and credit has been expanding at an annual rate of twenty-six per cent, almost thirty per cent for industrial borrowers — our only reasonable choice was to raise interest rates.

High interest rates are also caused in part by the size of our government deficit. That deficit is financed by the sale of securities to the public, a process which absorbs a large amount of the savings in the economy. If government was able to borrow less there would be more money available for other borrowers. As with other commodities, reduced borrowing demand on available capital would tend to reduce interest rates.

Our deficit will be reduced over time, both as a percentage of government spending, and hopefully, in dollar terms. Government spending itself must begin taking less of the economic pie, and leaving more resources with the private sector.

We could reduce that deficit faster by making radical cuts in social programming, in provincial transfer payments, in old age pensions and other areas — but we will not do so. Such cuts would be socially unacceptable, economically unfair and politically disastrous. We cannot work miracles, but we can and will improve administration, implement efficiencies, and cut back automatic increases in spending.

A third reason for the present interest rate levels is the large and growing deficit in the current account of our balance of payments. It cannot be reduced quickly and as long as it continues it must be covered by an adequate flow of capital into Canada.

Our need to import capital has been intensified by the need to finance our large government deficit as well as private sector investment in new plant, equipment and housing. This year we will spend at least seven billion dollars more abroad than we earn. We could make up that shortfall by running down our foreign currency reserves or by selling gold. That would not stop future deficits from occurring and once sold, those reserves are gone.

Again the other option that could be used is strict and rigorous exchange controls. We could prevent Canadians who travel from taking more than twenty-five or fifty dollars out of the country with them. With controls we could prevent foreign lenders and investors who have put their money in Canada in good faith from repatriating any dividends or interest on their capital.

In addition to being an interventionist stance that I believe is neither justified nor desired, the imposition of controls would not grapple with the underlying problems of the Canadian economy. They would have an impact far more serious than that of current monetary policy. So the chosen path is to maintain interest rates at levels high enough to attract capital here by normal market pressures. Again — we have no reasonable alternative.

One frequent suggestion recently had been to keep rates at present levels, ignore the effect on exchange rates and let the dollar fall to . . . whatever — in any event, a level considerably below present value. This choice, the argument runs, would increase the cost of imports and persuade Canadians to buy from domestic suppliers, stimulating our own economy without penalizing domestic borrowers.

The analysis is simplistic. To begin with, many of our imports simply cannot be replaced domestically — those of you who have searched the supermarket in vain for a Newfoundland orange will know what I mean. For those imports that can be replaced, there is an inevitable lag time, perhaps as long as two or three years while the necessary production capacity is built or expanded. In the meantime, all imports would increase in price. Many major export industries are already operating at or near capacity and could not immediately supply an increased demand. The international current account deficit would increase dramatically, and the inflation effect of a lower dollar would be felt throughout the economy — all to avoid the so-called "inflation impact" of higher interest rates.

I cannot accept such proposals as reasonable or workable and, once again — the only alternative was an increase in interest rates.

Finally, on a general point, while it is easy to suggest alternatives to present economic policy ("Let's try this new idea and see what happens,") those making the suggestions don't have to accept personal responsibility for the consequences.

I do.

I will not tinker with economic policy without having a good degree of assurance about the results. No responsible minister could, or would. As long as we have a need to attract foreign capital to balance our current account deficit on international flows; as long as we have a need to keep Canadian capital working here rather than invested outside our borders; as long as there is a substantial borrowing requirement to cover budgetary deficits and as long as the granting of credit to businesses and individuals far outstrips our real increases in productivity and growth; as long as all those conditions persist, we have no alternative to high interest rates.

They are not, of course, our only policy weapon. Fiscal policy forms a major part of the package, and initiatives directed at these same goals will be in the budget.

Reducing the deficit on both budget and current accounts means encouraging the private sector to produce more, compete more effectively here and internationally. It means stimulating on the supply side, particularly for export and import replacement industrial sectors. It means moving as fast as we can towards self-sufficiency in energy. This requires that we move the price of oil up toward world levels.

Canadians must be encouraged to cut down their consumption of the world's diminishing supplies of oil. It means using the extra resources from energy price increases to find additional sources and to add to distribution networks so that Canada can be more independent in the supply of this vital commodity.

Are Canadians special in some way that I am unfamiliar with that they cannot or will not accept the discipline that has been and is necessary for citizens in almost every country of the western industrialized nations? Are we so unique that we think our natural advantages in resources and geography somehow protect us from fundamental economic realities? I don't think so.

There is no magic in this. There is nothing new in it. Success will involve some hard work, some cutting back, some putting off of real increases in our standard of living, some restraint. I believe that Canadians are ready and willing to accept that self-discipline, and to pay the price now of benefits that can be available in future years.

The thanks of the club were expressed to Mr. Crosbie by Henry N.R. Jackman, a Past President of The Empire Club of Canada.

NOVEMBER 8, 1979

A Prescription for Business/Government Relations

AN ADDRESS BY Ian R. Wilson,
VICE-CHAIRMAN,
THE COCA-COLA COMPANY

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: Our guest of honour today is Ian R. Wilson, Vice-Chairman of the Coca-Cola Company, the well known and well regarded multinational enterprise, headquartered in Atlanta, Georgia, which is the city where it was founded over ninety years ago.

In the Atlanta of the 1880s, then a bustling community of 21,000 people, a determined pharmacist by the name of John S. Pemberton was working to make his fortune by developing patent medicines. The output of his pharmacy included items with such auspicious sounding names as Pemberton's Extract of Styllinger and Pemberton's Globe Flower Cough Syrup. Neither of those products succeeded, but Dr. Pemberton persevered.

His next offering to the infirm of Atlanta was Pemberton's French Wine of Coca, a product that he promoted as the ideal nerve tonic. It didn't succeed in winning wide consumer support either, but it only just missed and out of the French Wine of Coca evolved another new product, named by Dr. Pemberton's bookkeeper as Coca-Cola Syrup and Elixir, which was soon abbreviated to simply Coca-Cola.

An early poster for the new remedy read as follows: "Coca-Cola for headache. Relieves mental and physical exhaustion." Dr. Pemberton was correct in believing that he was on to something special with Coca-Cola, but he was wrong in his belief that it would cure headaches. Today we know that he need not have been disappointed because what his potion would relieve was even more pervasive than the common headache: what Coca-Cola relieved was the common thirst.

The soft drink, Coca-Cola, was born in 1886 and from that year demand for it has grown steadily until it is now sold in 135 countries around the world. From sales of fifty gallons of syrup which generated profits of fifty dollars in its first year Coca-Cola has become the mainstay of an enterprise that in fiscal 1978 had sales of $4.3 billion and net profits of $372 million.

The success of the product and the company to which it gave birth unfortunately did not enrich its creator and founder. Dr. Pemberton died in 1891 and all of the stock in the company was accumulated by an Atlanta family for a total investment of $2,300. Today the market value of the common shares held by the company's 67,000 shareholders is approximately $4.3 billion. The repeatedly excellent operating performance of the Coca-Cola Company and the historical market performance of its shares on the New York stock exchange year after year has proven unquestionably that, as an investment, Coca-Cola is the real thing.

Ian Wilson's career with Coca-Cola has been as steadily upward and impressive as that of his company. He joined the Coca-Cola Export Corporation in the South Africa regional office in 1956. Later he became assistant regional manager of the Southern Africa Region, becoming vice-president and regional manager in 1972. He was named area manager of the Southern Africa Area in 1973. In 1974 Mr. Wilson came to Toronto where he was elected president and chief executive officer of Coca-Cola Ltd. He next moved to Atlanta when he was named operating manager for the Far East and the Pacific in September 1976; he was elected executive vice-president of the Coca-Cola Company in November of that year and just yesterday he was elected Vice-Chairman of the Coca-Cola Company. In addition to his head office responsibilities he continues to serve as Chairman of the Board of the Canadian company.

The performance of Mr. Wilson's geographic area of responsibility during 1978, his second full year of authority, is impressive. In a year when the company's sales increased twenty per cent, those of Ian Wilson's division grew by thirty per cent. When the company's profits rose by fourteen per cent, his grew by thirty-three per cent. As a finale to fiscal 1978 Mr. Wilson successfully negotiated the exclusive right for his company to sell Coca-Cola in the People's Republic of China, a nation of 950,000,000 thirsty people. It is clear that as a performance-minded executive Ian Wilson adds life to Coke.

In the short time Mr. Wilson lived in Canada he became a Canadian citizen, so it is my pleasure not only to welcome him to our podium, but also to say "Welcome home."

Ladies and gentlemen, Mr. Ian R. Wilson will address us now on the topic "Mutual Benefit, Respect and Trust — A Prescription for Business/Government Relations."

MR. WILSON:

Ladies and gentlemen: About twenty-five years ago James A. Farley, a former Chairman (of the Board) of the Coca-Cola Export Corporation, addressed the Empire Club. I'm pleased and honoured to follow Mr. Farley as the second representative from Coca-Cola to occupy this distinguished platform.

You may be aware that as one of his many activities James Farley served as financial adviser to the Vatican in the late fifties. When he went to visit the Pope, Mr. Farley made the headlines in the Italian communist newspapers. They said he offered His Holiness a million dollars to change the liturgy so that instead of saying "Amen," Catholics everywhere would conclude their prayers with the slogan "Drink Coca-Cola."

An amusing story — but the fact is that large, worldwide companies and their products have always been prime targets for criticism. In recent years, as these companies have expanded, they have assumed a leading role in the industrialization of the entire globe. Because of this, their behaviour has been subject to even more intense scrutiny by many different groups in virtually all countries. Increasingly, governments are granting or withholding or modifying the right to do business on the basis of social contributions that a company can make. Therefore it is prudent . . . but more important it is morally imperative that companies like mine constantly prove their corporate good citizenship.

Today I would like to discuss corporate citizenship and talk about the experiences of the Coca-Cola Company around the world.

The Coca-Cola Company does business in 135 different countries. These countries vary drastically, from countries just beginning to emerge and develop like South Korea and Thailand to fully mature industrialized countries like Japan, Australia and Canada. Despite the many differences among these nations, we have found a basic philosophy fundamental to our dealings with all of them. This is perhaps best summed up in just a few words taken from our official agreement recently signed with China: "Mutual benefit . . . respect . . . and trust."

The agreement with China was several years in the making, covered many issues, and was worded with meticulous care. Yet, central to the spirit of the whole negotiation was that single phrase: "mutual benefit . . . respect . . . and trust." It's an exact translation of the language inserted by the Chinese, and those three points describe very succinctly our idea of corporate citizenship. The first two words of the key phrase are "mutual benefit," and they pinpoint the real substance of any social contract, particularly one between a business and a nation.

The great builder of the Coca-Cola Company, Robert Woodruff, noted that everyone who comes in contact with the product should profit — in some way. By "everyone" he meant not just the consumer or the retailer or the bottler or the company. He meant that society as a whole should profit by our presence.

Currently in our international dealings, the Coca-Cola Company strives to meet this objective by providing three types of mutual benefits: first, cultural, educational and sporting programs; second, packages of technology and business that will help a host nation to meet some national goal, such as increasing food production, alleviating malnutrition, or accelerating industrial development; and third, the benefit derived directly and indirectly through the manufacture and sale of our products themselves.

Let me discuss each of these benefits in a bit more detail. Since there has been so much interest in our recent agreement with China, I'm going to use it as my main example.

In terms of sponsorship programs, wherever the Coca-Cola Company does business we make a point of associating ourselves with the social, cultural and sporting aspirations of the host country. Besides generating goodwill, we believe such programs improve mutual understanding.

To give you an idea of the kinds of programs I am talking about, let me just tick off some of our activities

Ian R. Wilson
Vice Chairman, the Coca-Cola Company

with the People's Republic of China. We participated in a tour of representatives of the China Council, participated in sponsorship of the tour of the Chinese soccer team, sponsored a Japanese tour by PRC soccer coaches, and helped underwrite the successful China tour of the Boston Symphony Orchestra, sponsored the recent return of the U.S. ping pong team to China, provided major funding for the public broadcasting special featuring the Performing Arts Company of China. We are assisting with a multi-volume history of Chinese civilization being written at Cambridge, and just recently China accepted our offer of five Harvard M.B.A. scholarships.

What about our activities in other countries?

In Egypt, our company is sponsoring archaeological expeditions under the auspices of the Brooklyn Museum to uncover some of the yet unexplored tombs in the Valley of the Kings. There is an immediate need for these excavations since the completion of the Aswan Dam has affected the condition of this area.

On behalf of the Soviet Union, we are sponsoring a public broadcasting show on Lexo, the Russian pianist who won the Van Cliburn medal. We have also hosted Russian dance companies and orchestras in the United States. We sponsored the U.S. exhibition of the Tokuguawa collection for Japan, the first exhibition outside Japan of these priceless masks and robes from the No theatre. In addition, we sponsored the World Youth Cup soccer championship in Japan.

We have participated in these same types of activities with nations all over the world. We believe such activities strengthen the bonds between nations, and contribute to the quality of life.

As to technology and business expertise, the Coca-Cola Company, through our various divisions, has a whole spectrum of technical and management abilities. We are the world's largest citrus growers and citrus processors. We know nutrition, wine-making, water treatment, and sanitation. We know a good bit about trademark law and food law, and we understand packaging. Through our many locally-owned, independent franchise bottlers, we have what is probably the largest distribution network on earth, so we have some knowledge of how to distribute both products and information. And on top of it all, I think we can also say that we know how to make soft drinks!

We have found that virtually all of these skills can be exported. They have application, in some way or another, in many different nations where they can be used to help solve problems or further national goals. Let me give you some examples.

Japan had a surplus of mandarin oranges. They came to us for advice. We applied our citrus technology and used the surplus crop to can and market Hi-C fruit drink. This was an economic help to farmers and the government in a time of surplus. It created a totally new product in Japan, so successful that Hi-C is now the leading juice drink in the Japanese market — so successful in fact that we've run out of mandarin oranges, and are now importing juice.

The Egyptian government invited us back into that country to not only market our products again, but to help rejuvenate their citrus industry. Egypt has thousands of acres of arid land where they have been unable to establish citrus groves. Our technology enabled us in a joint venture with the Egyptian government to reclaim fifteen thousand acres. The product from the groves will be used both in Egypt and as an export product to generate foreign exchange.

In Mexico we received a direct request from President Portillio to provide a nutritional beverage to supplement the diets of people in some parts of the country. He knew we had the expertise to help address the problem of malnutrition. We marketed a product called Sanson, which is a high protein drink extracted from the whey left over from cheese-making. To our Mexican bottlers it's an affordable product and has the potential of making a contribution to their business as well as providing a real benefit to the community. Coca-Cola is also involved in a joint venture at Puerto Penasco with the University of Arizona and the University of Sonora to increase the production of shrimp. The shrimp industry is inconsistent, and we have found that by growing shrimp in a controlled environment on land we can obtain a ninety per cent survival rate. This project will provide an economic benefit for the area and for Mexico and also will stimulate exports.

At the request of the Philippine government, we are involved in another program to combat malnutrition. The project is called Nutri-Pak, and we distribute food in packaged form to parents of malnourished children, combining this with a program to educate parents and youngsters on how to use Nutri-Pak specifically and to prevent malnutrition in general.

In China, we were able to demonstrate to the Chinese government that our company had a great deal of expertise that they consider important to their industrial development goals. Their needs cut across all our technologies, and we are currently conducting seminars for the Chinese in everything from water treatment to glass-making. We are also helping them on food law and labeling, and as they go into more exporting our company will provide advice on trademark law.

The third way that a country can profit by our presence is through the manufacture and sale of our products themselves. At the most obvious, primary level, this creates jobs and pays taxes. And because the vast majority of Coca-Cola bottling plants throughout the world are locally owned, most of the profits earned remain in the host country, thereby contributing to local capital accumulation.

But beyond this, there is a secondary level of benefits. China again provides a good example. In one way, China's economy is already among the top ranks. At an estimated $407 billion for 1978, the GNP ranks sixth in the world. But, while it has exploded an atom bomb and built high-powered computers, China is a long way from being a modern consumer society. It has sixty-five times more bicycles than cars, and the average Chinese must work six months to pay for a bicycle. It has some highways, but fifteen to twenty miles outside many Chinese cities the main roads turn to gravel. It has only about four million telephones. There are only two hundred telex machines in the whole of China — probably fewer than in the average block in downtown Toronto. Most Chinese still need to boil their drinking water.

In other words, the basic infrastructure required to support consumer products like Coca-Cola on any large scale is just not in place, and up to now the few consumer goods that are coming into China are being imported for consumption by foreigners in limited areas. For example, distribution of Coca-Cola is limited at present to tourist outlets in nine cities.

But this is not unusual. We have gone into many countries where there was much less to work with. We have had to help develop entire industries from scratch in order to provide the support that a bottling plant requires. We have assisted countries to get going in glass manufacturing, sugar production, water purification, and so on.

The company gives advice to get these industries started. We train the necessary people, and then we turn the entire operation over to local ownership. We don't own them, and as a matter of principle and policy we don't want to. But we *need* these ancillary industries in order to function. This is a prime example of "mutually beneficial" activities because the host country also *needs* such industries in order to grow and create a more stable and prosperous environment for its citizens.

In the last few minutes I have tried to give you a broad view of our concept of corporate good citizenship. We have found that as we become an active, integral part of many different kinds of societies, our day-to-day business operations are inseparable from our role as corporate citizen. We recognize that in spite of our common humanity, different histories have created differences among nations that simply cannot be overlooked. There are differences in religion, differences in culture, differences in attitudes, differences in national priorities and goals. All of these differences must be respected by companies doing business with these nations.

The Chinese, for instance, after thirty years of political and economic isolation are looking, cautiously, once again toward the West to see what we can offer. But the old scars will not heal easily. Old experiences will not be forgotten quickly. While there is new freedom and economic acceleration, China will not be transformed overnight. Business must move slowly and with great deliberation.

Our largest and most stable market in the Pacific, Japan, was developed gradually, carefully, over a period of twenty-two years. And through all the years we have always been respectful of the differences that exist and acutely sensitive to differences that may be developing.

We all seem to be especially aware of this need as nations are developing. But I hasten to add that it is also true of the already developed countries. No society, no government can be taken for granted, ever!

For example, here in Canada our business and consumer choice is influenced by both federal and provincial government legislation. The Canadian ban on saccharin is a good example. You may recall the massive doses of saccharin, the equivalent of eight hundred bottles of Tab a day, fed to those rats in Ottawa which resulted in the ban of the sweetener in this country.

Canada, like most countries, has a population which is extremely health-conscious and there are 700,000 diabetics living here. Yet at this time, this is the only country that does not have a sugar-free soft drink with an acceptable taste. While the fact that the Canadian government will probably approve aspartame as an alternative sweetener is good news, we only hope that the cost of this ingredient will not be so high as to preclude its use in diet soft drinks.

Another problem area is packaging, where provincial governments chose to ignore consumer demand and set artificial restrictions. We have experienced a proliferation of packaging restrictions ranging from an outright ban on non-refillable containers in Saskatchewan, to deposit systems elsewhere, to a limit in the percentage that non-refillable packages may represent in total volume. Here in Ontario, that's twenty-five per cent.

However, my major concern is the ban last August of 1.5-litre soft drink bottles on the grounds that they are unsafe for public use. By every test our company has ever conducted our bottles should not have been banned. The thing that really upset us was that in the middle of the testing, after we had spent thousands of dollars in an attempt to find a solution, the testing criteria were removed without any being given to replace them. And to the present time we still do not have any standard for these bottles.

We are now looking at local technology as well as a Japanese plastic coating system to get these bottles back on the shelf. Even in Japan, where plastic-coated returnable bottles are sold right now, manufacturers have a choice to go with plastic-coated glass or thicker naked glass bottles similar to our banned containers. The United States produces uncoated two-litre glass bottles and all other countries use either one-litre or 1.5-litre glass bottles without coatings. Worldwide, there have been no other bans. The plastic-coated bottle seems to be a luxury which consumers elsewhere apparently do not want or cannot afford.

The recourse is difficult. Commissions of enquiry usually do little to engender a good business climate. As far as I am concerned, dialogue is far better than confrontation. In any event, the free-market system and the long-term consumer interest of any responsible company is the best system of checks and balances ever devised.

In a recent speech, Prime Minister Clark accused businessmen in Canada of sitting back and not taking risks. On the contrary, I believe business here is prepared to expend risk capital provided there is a reasonable expectation of achieving adequate return on investment. From the time I have spent in Canada, I believe Canadian management is professional and aggressive, but we must have the support of both the federal and provincial governments.

The myth that big business needs to be controlled because we act irresponsibly is simply not true. Naturally, a public sector is needed that is strong and decisive in policy matters, but they should also be non-interfering in the day-to-day operation of business.

Coca-Cola Ltd. of Canada competes with other divisions of the Coca-Cola Company for investment capital. In the light of our recent experience Canadian management must really sell hard to convince the parent company to continue an aggressive investment posture. When Neville Kirchmann, President of Coca-Cola Ltd., approaches corporate office with programs, he is asking for investment in a country with enormous potential. However, he competes with nations around the world where sales and return on investment are truly excellent while here in Canada, because of packaging restrictions and bottle bans, we are anticipating a very nominal growth for 1980 and possibly beyond.

You may be thinking that all businessmen feel that *their* industries have the biggest problems in terms of government intervention. But no one can reasonably disagree that the Canadian soft drink industry has really suffered in that regard. We have been hard hit in a number of areas but particularly by the conflict between provincial environment and federal product safety considerations.

Lest anyone gets the wrong idea, let me make it very clear that we are not indifferent to potential packaging hazards or callous about the environment.

Here in Canada, as elsewhere in the world, the management and employees of our company live in the communities where our products are bought and consumed and we appreciate safe products and an uncluttered environment as much as anyone.

For years now, elected officials of all the major parties, both provincial and federal, have spoken of the principles of deregulation, disentanglement and elimination of overlapping jurisdictions. Perhaps now that the federal government is of the same political persuasion as the majority of its provincial counterparts, it might be timely to begin rationalizing some of the conflicting demands made upon industry.

You will recall that one of the important words in our Chinese agreement was "trust." It is an essential component of any viable business and government relationship. Yet despite all of the advances that have been made in the study of human interaction, we are still not fully clear how trust develops in some instances and not in others. We do know, at least in our experiences with various countries, that it is helpful for a company to have consistent principles by which it lives and conducts business and on which a host country can count. And, as we become an active, integral part of many different kinds of societies, we find that our day-to-day business operations are inseparable from our role as corporate citizen. We also have found that it behooves us to build solid relationships with nations *not* on the basis of ideology, but on the basis of those words "mutual benefit . . . respect . . . and trust."

Thank you, ladies and gentlemen.

The thanks of the club were expressed to Mr. Wilson by Charles C. Hoffman, First Vice-President of The Empire Club of Canada.

NOVEMBER 15, 1979

The Concert Hall as an Artistic Instrument

AN ADDRESS BY Isaac Stern,
VIOLINIST

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: To date this season Empire Club members have heard from speakers who have addressed themselves to very different topics but through whose remarks has run a common thread of pessimism. The purveyors of bad news have been: Canada's socialist party leader who painted a gloomy picture of our nation's economic future; our Secretary of State for External Affairs who explained how our foreign aid program has failed; the Chief Executive Officer of a petroleum company who warned how precarious supplies of foreign crude are; a Parti Québécois cabinet minister who documented the inequities of Canada's federation; the nation's Minister of Finance who confirmed our anxieties that interest rates, inflation rates and unemployment rates will remain at historically high levels; and last week a senior executive from a multinational corporation who forewarned us that regulation of business in Canada was dissuading his company from making further investments here.

After that steady diet of pessimism we are unquestionably ready for some good news, and the good news is that we have with us today as guest speaker Isaac Stern, who has chosen to address us on the topic

"The Concert Hall as an Artistic Instrument" and who has agreed to answer our questions at the conclusion of his address.

Mr. Stern is one of the greatest musicians of all time. "He belongs," said *The London Times*, "to that great company of virtuosi around whose names legends have grown in the course of history."

Born in Russia, Isaac Stern was brought to San Francisco by his parents when he was less than a year old. He began piano studies at six, but switched to the violin after the practising of a neighbour aroused his interest in the instrument. After studying with various instructors from the San Francisco Conservatory of Music, Isaac Stern made his recital debut in 1934 at the age of fourteen. His first major orchestral debut took place in 1936 when he performed with the San Francisco Symphony; this was followed by performances with the Los Angeles Philharmonic, the Chicago Symphony and other leading orchestras. By the time he made his New York debut in 1937, he was already a highly regarded violinist. His Carnegie Hall debut, on January 12, 1943, helped focus the attention that subsequently has brought him invitations to perform annually with every major orchestra and at every major festival throughout the world.

In addition to performing as a soloist, Mr. Stern plays with pianist Eugene Istomin and cellist Leonard Rose in the Istomin-Stern-Rose Trio, the much sought-after chamber ensemble. As anyone who has browsed in record stores knows, Mr. Stern has also been a prolific recorder of classical and contemporary violin literature.

Samuel Johnson, the eighteenth century lexicographer, critic and author, once professed "Had I learned to fiddle, I should have done nothing else." *The New York Times* Sunday Magazine on October 14, 1979 boldly asserted that Isaac Stern has not restricted his talents to making music as Samuel Johnson claimed he would have done. The headline to the feature article read as follows: "Isaac Stern: The Power and the Glory." The sub-headline continued: "Stern describes himself as a fiddler. But he also fiddles most effectively with power in the music world, where he is an adroit mover and shaker."

As a man of his community, a community which in his case is much of this globe, our guest of honour has provided public service through such activities as serving as Chairman of the Board of the America-Israel Cultural Foundation, music adviser to the Jerusalem Music Centre, Founder-Member of the National Council of the Arts, officer of the French Legion of Honour and intimate of world leaders and American presidents. Mr. Stern is renowned for his leadership in the successful fight to save New York City's Carnegie Hall from demolition in 1960, an institution which he continues to serve as President of the Carnegie Hall Foundation.

Ladies and gentlemen, this luncheon is the Empire Club's salute to the men and women of Toronto who have committed themselves to bringing a new concert hall to this city. There is no guest speaker anywhere in the world who could be more appropriate for the occasion than Isaac Stern. It is a tribute to all of the people associated with New Massey Hall that he has joined us in our salute to them today. Please welcome Isaac Stern, who will address us now on the topic "The Concert Hall as an Artistic Instrument."

MR. STERN:

Mr. MacNaughton, honoured guests, ladies and gentlemen: I am somewhat overwhelmed because Arthur Gelber, in his vocal arm-twisting manner, did not tell me that this luncheon address is not only being attended by very responsible and august members of the community, but is at the same time being recorded, televised, noted, and will be gone over with a fine-toothed comb ad infinitum. As you will see, I have no notes and I will speak extemporaneously. I have exactly twenty-eight minutes in which to speak, answer questions, pick up my fiddle and run!

First, let me say that yesterday I had the privilege of seeing a rather large hole in the ground and some very wonderful plans. Aesthetically and professionally, it is one of the most imaginative concepts that I have seen anywhere. It has a flowing grace, and I think it is a possible major contribution to the idea of a hall being as pleasing to the eye as it is to the ear. From everything that I could see, the planning for the comfort of those who have to deal with it most, the working musicians, is superb. Thought has been given to the care for the disabled. The distances to be crossed from one working area to another are logical. The loading docks are well planned. The seating arrangement will cut down the number of the "Why did I get a seat where I couldn't see the stage?" kind of remark. On the whole, it can become one of the major centres of the North American continent. Given God's help and your acoustical work, may it sound as well as it looks! That, of course, is its raison d'être and, given that, it can become a very important centre of both local and international activity.

There is not a travelling artist who cannot tell you what his or her identification with a hall is. For example, there are certain halls in which we treasure the moments when we can go there to play — Teatro Colon in Argentina, La Scala in Milan, the Great Hall of the Conservatory in Moscow, the Concertgebouw in Amsterdam, the Concert Hall in Gothenburg in Sweden, Boston's Symphony Hall. I must tell you that I have always enjoyed Massey Hall, and I have always felt a sense of intimacy, a warmth, and a kind of radiance in the sound that was always helpful.

You must understand that to the performer, on stage, the hall is indeed another instrument. It is a major necessity, because the great halls hold the performer

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Violinist Isaac Stern addressing the Empire Club.

in their hands, lovingly caress the sound, and send it forth larger than life. That's what makes a performance. That's what a hall can do. When a hall is too clinically clean, when you feel the sound going out and suddenly dropping dead about ten feet out no matter what your efforts, then it can be — as some of the speeches you have had in the last few weeks — a very disheartening experience.

Essentially, a hall is the place where the artist goes who has the brass, the arrogance, the necessary self-certainty to stand on stage with just his bare face hanging out and dominate his audience. The real artists, the great artists, don't go out to the audience, they bring the audience to them. They invite them to join them on the stage in a moment of magic. But in order to create that magic, the hall has to give the artist the opportunity to let sound float, to let it ring, to let the smallest nuance be meaningful to the last person in the top row, and to make sure it doesn't go over the heads of the people who have paid even more money downstairs — which often happens.

These are the qualities that a hall must have, and these are the qualities that every builder of a new hall searches for. I would hope very much that what you have here will be one of those halls, because it is important for us, not only as performers but as part of the western tradition of civilized habits, to have places like this. A hall becomes a centre of the activities of a city. It becomes the focal point for other artists to visit. They then excite local efforts. It becomes a happy meeting place for people who care. Certainly those who are in the opinion-making area of any culture become a part of the efforts of the artists in a hall of that quality.

More important than anything else is the fact that our culture, the culture that has bred us, is becoming the culture of a rapidly diminishing minority in the world. There is no reason to arrogate to ourselves the notion that the rest of the world is going to automatically accept our culture as theirs. They have a perfect right to their own and they are more numerous than we. Therefore, if we respect that which bred us, that which makes us human in our sense, in our political scene, we must support, expand, extend, always revitalize the cultural aspects of our society and its culture which we will pass on to our children.

All of this comes to my mind when I see the possibilities of a hall like yours. But that brings a further responsibility to the community that takes upon itself the adventure, the excitement of building such a great meeting place. Just to get the money to put together the bricks and the mortar is not enough. There should also be a performing fund, permanent and healthy, so that those whose responsibility it is can from time to time subsidize, excite and interest themselves and the community and the country in those areas of artistic enquiry and endeavour that cannot bring a profit.

Artistic excellence, enquiry and profit do not run in the same league. Like everything else, culture must be paid for. As we pay for education, medical services, mail services — and all of those are supported — so too must cultural efforts be supported. In a very real sense, the support of the arts gives an artist or an artistic concept the right to fail. We must not demand that they always succeed. For this I would ask that some attention be given, as the hall nears completion, to a performing fund, and that those who are knowledgeable in that area be made responsible for the discretionary use of those funds.

The effort of making a hall like that pay for itself is going to be a rather difficult one at best. Serious music is not and never has been, as you well know, a profit-making undertaking. It is necessary to support it massively. It would be only too easy for the directors of the new hall, at the moment called the New Massey Hall, to take the path of least resistance and allow as many pop and rock groups to come in as want to because they attract a very large audience and they make a lot of money. But shall they be the measure of all the care and attention and artistic thought that went into this soaring new building, the care for the musicians and patrons and acoustics? Is it for that reason that it was built?

Without demeaning any of the other major centres in Canada, all of which I have played in and will continue to play in with great pleasure, Toronto has a vitality and centrality to the meaning of Canada that is possessed by no other city. It is the cultural capital of this country. How you, the citizens of this city, support it, treat it, use it and love it will in large measure reflect Canada's interest in its own cultural life, its cultural strength and its cultural future.

I will take a few questions now from the floor.

Following the question period, the thanks of the club were expressed to Mr. Stern by Marvin Gelber, Honorary Treasurer of The Empire Club of Canada.

NOVEMBER 22, 1979

Discrimination is a Broken Promise

AN ADDRESS BY R. Gordon L. Fairweather,
CHIEF COMMISSIONER,
CANADIAN HUMAN RIGHTS COMMISSION

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: Our guest of honour this afternoon is R. Gordon L. Fairweather, Chief Commissioner of the Canadian Human Rights Commission, a man who has distinguished himself in a succession of public service careers.

The first was as a private member and as Attorney General in the Progressive Conservative Government of New Brunswick during the 1950s.

In 1962 he began his second public service career when the lure of federal politics caught him and he stood for election to the House of Commons in the constituency of Fundy Royal. He was successful in that campaign and was re-elected to Parliament in the next five consecutive general elections by a constituency whose esteem for him is demonstrated by the fact that he continues to receive requests for assistance from his former constituents on a regular basis.

During his fifteen years in Parliament, Gordon Fairweather earned a reputation as a strong and well-informed opposition member, but also as a reasonable critic who took a special interest in humanitarian issues. An early and ardent supporter of official bilingualism and of women's rights and a strong opponent of capital punishment, he was a Member of Parliament who placed the accent on the progressive half of his party's label.

Another progressive on another continent, Mahatma Gandhi, once said, "In matters of conscience, the law of the majority has no place." In 1977 former Prime Minister Trudeau must have paraphrased those sentiments to read that "In matters of conscience, the law of partisanship has no place," because in selecting a first Chief Commissioner for the Canadian Human Rights Commission he crossed the floor of the House of Commons to extend the invitation to Gordon Fairweather who, on accepting the post, began the third phase of his life's work of serving his community, a community that includes all of Canada.

The choice of Mr. Fairweather won wide acclaim — from all sides of the House, from newspapers across the country and, most importantly, from the minority groups in Canada who were looking for someone in whom they could have confidence as a committed champion of their concerns.

The Canadian Human Rights Act begins with a statement of the following principal:

> Every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have, consistent with his or her duties and obligations as a member of society, without being hindered in or prevented from doing so by discriminatory practices based on race, national or ethnic origin, colour, religion, age, sex or marital status, or conviction for an offense for which a pardon has been granted or by discriminatory employment practices based on physical handicaps.

The fact that the Act received the unanimous support of Parliament is a fine commentary on the ideals of Canadians as expressed through their elected representatives, but it would be naïve to suggest that discrimination in Canada ended with a legislative statement of principle. Rather, the Act was a recognition of the problems of prejudice that exist in our country and was a starting point for Gordon Fairweather to begin building a Commission to respond to them.

It is our hope that in providing a forum for Mr. Fairweather to speak to our members gathered here today and to the thousands of people who will see his address on television or hear it on radio we will have assisted in a small way with the important work undertaken by him and the Commission that he leads and inspires.

Ladies and gentlemen, it is my pleasure to call on Gordon Fairweather, Chief Commissioner of the Canadian Human Rights Commission to address us on the topic, "Discrimination is a Broken Promise."

MR. FAIRWEATHER:

Ladies and gentlemen: One of the most difficult parts about making a speech is thinking up the title. Finding something to say is no problem. I think we are breaking new ground in important areas, and I want to tell you about it. But putting a title on it is a difficult matter. I was a bit apologetic about "Discrimination is a Broken Promise" when it occurred to me. In fact I told a member of my staff that it sounded more like a message for a bumper sticker. But even if it does sound like a bromide, it states my basic theme. So long as there is discrimination in our society, we are breaking promises, explicit or implicit, that we have made to our children, to our fellow citizens, and to the world at large.

By signing the United Nations charter and its covenants, we have made some promises about equality and fairness. In a thousand speeches on multiculturalism, in a thousand high school social studies classes, in a thousand newspaper editorials, we have promised that ours is a society where everyone has an equal chance to make the kind of life that they want for themselves and their children. And we try to make it so. In fact, many people believe that we have succeeded in making it so. Thirty-seven per cent of those polled in Toronto by a survey this year said that they did not think that some people were denied opportunities by discrimination. Well, I'm not as sanguine as that. To paraphrase Robert Frost, I think we have some promises to keep — and miles to go before we sleep.

There are a number of topics that I want to raise with you, too many, in fact, for a neat orderly address. But these ideas are important enough that I am going to try to touch on as many as I can, arranging them under the headings of the nine prohibited grounds of discrimination listed in the Canadian Human Rights Act: national or ethnic origin; colour; race; marital status; sex; religion; physical handicap; and criminal conviction for which a pardon has been granted.

I want to start with discrimination based on national or ethnic origin because it opens up the topic of immigration and immigrants, something of prime importance to the city of Toronto. About one third of the immigrants who arrive in this country settle in Toronto. And of those who resettle later, about half ultimately resettle in Toronto.

What are the national origins of these immigrants? In 1956, 94.2 per cent of newcomers to Canada came from the United Kingdom, the United States, and Europe, and only 5.4 per cent from "the rest of the world" — from the subcontinent, from the Third World, from the countries where people do not have white skin.

By 1977, however, the figures had changed remarkably: 46.7 per cent now come from the United States, the United Kingdom and Europe, and 53.3 per cent

R. Gordon L. Fairweather,
Chief Commissioner,
Canadian Human Rights
Commission

come from what I call "the rest of the world." A shift in proportions over twenty years from 5.4 per cent to 53.3 per cent is a tribute to the new immigration policies that Canada adopted in the sixties.

What sort of numbers are we talking about? Over 1,800,000 people immigrated to Canada between 1967 and 1977, almost a million of them to Ontario. So it is obvious that the potential for discrimination based on national origin is there and, as you know, we have not escaped its consequences. It is just too easy to fall into the habit of generalizing about whole groups of people as if they were all alike; it is just too easy to make assumptions about people, and then to base discriminatory decisions on those assumptions. We have been exposed to a very blatant example of this process in recent months. I am referring to the full-page newspaper ad of the National Citizens Coalition, exhorting Canadians to reject the government's decision to accept Indochinese refugees, the so-called boat people, on the absurd grounds that their origins as ethnic Chinese somehow make them unfit to adapt to the Canadian democratic way of life. Now that is a discriminatory slander that insults not only the Asian refugees but also the thousands of Canadians of Chinese origin who have lived here, some for many generations, and contributed to the democratic life of this country in innumerable ways.

I have received letters that tell me that I have no right to take exception publicly to that advertisement. Well, I do take exception to it, and I am repeating my opposition to it here and now. People can state their opinions, honestly held or otherwise, in a number of free forums in this country. But when those opinions are malicious insinuations, then I consider that the rest of us have not only the right, but the duty to speak out to the contrary.

Closely related to discrimination based on national or ethnic origin is, of course, discrimination based on colour, or on race. We use the term "visible minorities," which is a euphemism for the more blunt terms that are still in use in South Africa. The same visible minority that apparently just cannot fit into our way of life according to the National Citizens Coalition, fits in only too well according to a recent W5 program on the so-called giveaway of our universities. That program used film of a meeting of the Chinese Students Association at the University of Toronto to imply that the universities were being taken over by foreigners, mainly Chinese. It made no distinction between Chinese students who were landed immigrants or citizens, and "foreign students" who are here only for the period of their studies. In other words, it implied that Canadians are not Canadians with a right to go to Canadian schools in their own country if they are Chinese Canadians. And one of the ways it did so was by focusing on the visible racial characteristics of certain students. I saw the program myself, and I was appalled at its sensationalism, and at its injustice.

Unfortunately, it would not be hard to go on listing examples of discrimination founded on race, but I will only elaborate on one — the disproportionate representation of Native people in our prisons. Our criminal justice system has an adverse impact upon Native Indian people; Natives make up a much larger percentage of the prison population than they do the total population. Why? Not because they have more criminals. We set Native people up by confronting them with a variety of circumstances — joblessness, low education, different standards of behaviour than those imposed on white people, dependence on alcohol — and then we put them away.

This is the *real* issue facing our criminal justice system today. And yet Parliament is about to launch its fifth debate on capital punishment in the past fifteen years. More energy and rhetoric and passion is going to be squandered, while more Native people are given prison sentences or denied parole after committing offences that might not have led to a sentence but for their race.

This is not, of course, the only form of discrimination affecting Native people. And status Indian women have the doubtful honour of being discriminated against on the basis of their sex and marital status as well as their race and colour. I am referring, of course, to the section of the Indian Act, Section 12(1)(B), which takes away the status of a woman and her children if she marries a non-status man, but which not only allows a status man who marries a non-status woman to keep his status but confers status on his wife as well.

This is going to change — it has to change. And it should be changed retroactively as well, to restore justice to all those women and their children who were unfairly deprived of their birthright solely on the basis of sex.

The customs and policies and programs that have evolved in this society of ours often, like Section 12(1)(B) of the Indian Act, affect families. We regard the family as the basic social unit, and we formulate much of our social policy on the existence of the family. Therefore, always assuming that people live in families, we have set up such basic social programs as income tax, old age assistance and so on with criteria that are based on marital status. Yet society is changing fast. According to a recent Canadian Imperial Bank of Commerce newsletter in 1976, fully twenty-one per cent of households in this country were "non-family" households versus eleven per cent in 1951. No one wants to "break up families." No one wants to put an end to the special recognition of an important social and economic unit that protects and nurtures our children. But we have reached the stage where it behooves us to be very careful about using marital status as the way we define a family. And we are going to have to recognize the importance of that twenty-one per cent of non-family households too. So, from the point of view of social policy, it is time that more attention was paid to discrimination on the basis of marital status. We have asked the Minister of Health and Welfare to study this problem.

The large percentage of the complaints that we receive at the Human Rights Commission involve discrimination in employment. And in employment two grounds of discrimination, religious belief and physical handicap, raise the same type of problem, the problem of reasonable accommodation.

Should employers be allowed to insist that everybody who works for them conveniently fit into certain narrow specifications? Or should they try to make reasonable accommodation for religious holidays (other than Christmas and Easter) and/or for religious dress such as turbans? Or for wheelchairs, or seeing-eye dogs? It is a nuisance to rearrange shifts so that people can observe their Sabbath or go to prayers, or to fix up a washroom for someone in a wheelchair. You can look on such efforts as extraordinary measures. Or you can look on *not* making such efforts as discrimination against those who are denied the opportunity to work. It's all in your point of view, isn't it? From the point of view of human rights legislation, it is pretty clear: if it does not put undue hardship on the employer, not doing it is discrimination.

There are other ways of fighting discrimination that some people persist in thinking of as extraordinary measures, ways that are very important to the physically handicapped and also to Native people, blacks, and women. I am talking about special programs, or affirmative action. Now I'm not going to expound on affirmative action at great length here. But let's get one thing straight. In some situations, we have treated certain groups so shabbily in the past, have stacked the deck against them so outrageously that it will take them *generations* to start to catch up with the rest of the population unless we accelerate the process a little. No one is suggesting that unprepared and untrained people be given preference for jobs. But we are never going to wipe out the impact of our past discrimination if we do not take some conscious steps to improve the representation of certain groups in the work force. And take it from me, it is going to happen. There are a lot of determined people out there who are going to see that it does.

To those of you in this audience who are in a position to put affirmative action programs in place, I offer the consulting services of the Canadian Human Rights Commission — at about the best price you are going to get from consultants anywhere. Or Canada Employment and Immigration will help you; just ask.

Special programs are needed. They are being demanded, and they are on the way. So it would be wise to anticipate what is inevitably coming, and you will be making an important contribution to the kind of society that Canada, through Parliament, has stated that it wants to build.

To get back to the broken promises, one group that society makes implicit promises to is those people who are officially pardoned for offences for which they have paid their debt to society. Their trustworthiness has been declared by the police, after investigation, to be the same as the rest of us. But often employers think that they can second-guess the police, disregard the pardon, and refuse employment opportunities to ex-offenders. This is discriminatory, as much as refusing an opportunity to someone on the basis of their skin colour would be.

I hope that my remarks so far have strengthened some ideas that you likely already had — namely that the struggle against discrimination is by no means over, that our ideas about what constitutes discrimination are becoming more subtle, that people are identifying themselves as victims of discrimination (and speaking out about it) who formerly remained quiet and passive, and that human rights can no longer be regarded as a luxury or a frill. Human rights are an inevitability.

I have no illusions about the difficulties that are involved in creating a more egalitarian society. We, and I am sure that I can speak for other Human Rights Commissioners on this, are quite aware that protecting people's rights can sometimes lead to situations where different sets of rights are in conflict, or to situations where people who are discriminating honestly believe that they are acting in the best interests of society or some sector of society, or to situations where people are honestly unable to appreciate that discrimination is taking place at all. In some cases we are talking about major dislocations in systems. Take equal pay for work of equal value, for instance. When every woman in this country is paid according to the *value* of the work she does, our present system of compensation will have become totally unrecognizable. And none too soon, either.

But these problems are just that — only problems. And problems have solutions. When no parent has to explain to a child why a TV program makes that child feel like a second class citizen; when no parent has to explain to a child that all that stuff about equality is fine in the social studies books, but that you'll just get hurt unless you learn to limit your expectations — then we will be keeping our promises.

We can be proud of our promises. We made them in good faith, and we are serious about them. We can be even prouder of our promises when we stop breaking them.

The thanks of the club were expressed to Mr. Fairweather by John G.B. Strathy, Second Vice-President of The Empire Club of Canada.

NOVEMBER 29, 1979

Successful Investing Methods

AN ADDRESS BY John M. Templeton,
PRESIDENT,
TEMPLETON GROWTH FUND, LTD.

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: In the application form for membership in the Empire Club it is stated that our organization is a forum for "prominent people, speaking with authority on the issues of the day." When the topic is "Successful Investing Methods" there are many speakers who might pretend to the mantle of authority, but there are few whose claim would have any legitimacy. One of those whose would is John M. Templeton, President of Templeton Growth Fund, Ltd., a man who is respected internationally for the magnitude and the consistency of his investment management performance record.

One modest measure of the esteem for John Templeton and of the respect for his achievements has been the demand for seats at this luncheon. The competition outside these doors prior to this meeting was intense, and I wish to compliment the staff of The Royal York Hotel in responding to the overflow attendance. All this excitement has served to underline the observation made in *The Financial Post* on July 28 of this year that the presence in Toronto of John Templeton is "a North American investment event." And a happy event it is for those of us who were able to gain access to the inner sanctum.

The reason for this enthusiasm, of course, is the desire on the part of our members to benefit from the lessons of Mr. Templeton's accomplishments during a lifetime of managing investment funds. Our guest of honour was recognized as a success many years ago, but the performance of Templeton Growth Fund, which celebrated its twenty-fifth anniversary in April of this year, has confirmed his place in the annals of the greats of the investment management world.

Anyone wise enough to have entrusted their funds to Mr. Templeton's stewardship in April 1954 would have seen a $10,000 investment, with dividends reinvested, appreciate to $243,881 in April 1979 – outperforming the Dow Jones Industrial Average by fifteen times in the process and leaving other supposed growth funds in the distance.

Templeton Growth Fund shareholders have not only prospered over the years, but they have also been secure in the knowledge that by investing their assets with Mr. Templeton's fund they had achieved, in one stroke, the four investment goals of diversification of securities, diversification of geography of investments, diversification of time horizons and pursuit of peace of mind; all goals that were first articulated by William Shakespeare's Antonio who said in *The Merchant of Venice*:

> I thank my Fortune for it, my ventures are not in one bottom trusted, nor to one place, nor is my whole estate upon the Fortune of the present year. Therefore my merchandise makes me not sad.

In explaining his investment success John Templeton told the annual meeting of his shareholders in Toronto last year that "We don't have any formulas; we don't have any magic; we're not really that smart. What we try to do is to apply common sense to selecting investments."

It sounds easy, ladies and gentlemen, but as we all know, it is not. But for an individual who is perfectly mated to a task — whether Guy Lafleur to scoring goals, Isaac Stern to making music, John Fowles to writing fiction or Yousuf Karsh to taking photographs — genius is the ability to reduce the complicated to the simple. In the investment management world, John Templeton is unquestionably possessed of that kind of genius.

He is also very much a man of other parts. He is the Founder of the Templeton Foundation Program of Prizes for Progress in Religion. These prizes of £80,000 are awarded each year by Prince Philip to the person who has made an important contribution to increasing man's love of God, or man's understanding of God. Mr. Templeton is President of the Board of Trustees of Princeton Theological Seminary and is a Fellow of the International Academy of Religious Sciences.

Winston Churchill, who addressed this club in 1929 when he was Chancellor of the Exchequer in Great Britain, once observed "The farther backward you can look, the farther forward you are likely to see." It is our good fortune to have with us today an individual whose life's work enables him to look backward over forty years of experience and whose responsibilities during those forty years have required him always to look to the future, to understand it and to position his shareholders to benefit from its arrival.

Ladies and gentlemen, it is my pleasure to present to you now, John M. Templeton, President of Templeton Growth Fund, Ltd., who will address us on the topic "Successful Investing Methods."

MR. TEMPLETON:

Thank you, Mr. Chairman, and thank you all for coming today. It's a great joy for me to be in Toronto. I have been coming here four or five times a year now for twenty-five years and have always enjoyed tremendously being in your city. Also I have bought a cottage on Georgian Bay and an apple orchard at the south end of the Bay in the Peebles River Valley so as you can see I really enjoy Ontario.

Mr. MacNaughton has spoken about the performance of Templeton Growth Fund, and I think the reason I was invited to speak here is because of the performance of that mutual fund. I'd like to point out that it's too much to expect that it can always be good. No mutual fund has ever had top performance every year. We have endeavoured to stay somewhere near the top and over a long period of years we may have averaged out on top. On a ten-year basis, we have had the best performance as far as we've been able to find out in Canada and the United States and every other nation. We searched in Britain, Germany and Japan and we found no other fund that performed as well if you are looking at the ten-year basis. The same thing is true on a fifteen-year comparison, or a twenty-year comparison but not necessarily for one year or even for five years.

The difficulty of producing a superior investment performance is so great that no one can do it all the time. In twenty-five years of trying hard there have only been three years when our performance was the tops of any fund in the United States. There have been six years out of those twenty-five when our performance ranked *behind* the average of all the United States funds, although we've had none of those years in the last ten. We've had ten fortunate years in which we ranked near the top but I predict that in the next twenty-five years there will be at least six in which we lag behind other mutual funds. That's inevitable.

When you are selecting a stock for purchase or sale the chances of being right are not so great as they are in other businesses. If you ask twelve engineers how to build a bridge and they agree, chances are that's the way to build it. But if you get the same answer from twelve security analysts about which stock to buy you can be pretty sure it's the wrong stock. That's because if everybody is optimistic about a stock then that has already been reflected in the market price. That's the nature of the work and I can assure you that in all my life I have never been right more than two-thirds of the time. In one-third of the decisions I make — to sell one stock and buy another — a year later I wish I hadn't done it.

Now through those twenty-five years there have been only four things that we are doing that I think you might be interested in. That's the heart of what I am saying. We really are not any smarter than other people. We don't have any formulae. We don't have any magic. We are not geniuses. What we try to do is use common sense and we do it in four ways.

We search for bargains. It seems to be common sense that if you buy a share for a small fraction of what you think it's worth then, in the long run, most times it will turn out better than if you bought stocks for more than they are worth. So we search for those stocks that have the lowest possible price in relation to what we think they are worth.

Now there's no magic and no secret in that. In deciding what a company is worth and therefore what its shares are worth we use standard methods. It is called security analysis. In the United States alone there are 20,000 security analysts. There are roughly a thousand chartered financial analysts. They are all familiar with the methods of appraising corporations. They are available to you in textbooks such as *Security Analysis* by Graham and Dodd. We use standard security analysis to decide the value of each stock. Then

John M. Templeton
President, Templeton Growth Fund, Ltd.

we compare the market price with that estimate of its value and we buy those stocks that have the lowest price in relation to what we think or somebody thinks they are worth. That to me seems only common sense. For forty years it has amazed me that more of you don't go about it that way.

The second point is that it seems to be common sense that if you are going to search for these unusually good bargains you wouldn't search just in Canada. If you search just in Canada you will find some, or if you search just in the United States you will find some.

But why not search everywhere? That's what we've been doing for forty years. We search anywhere in the world to see which stock is available at the lowest possible price in relation to its estimated value.

If you search world-wide there is less risk. One of the first principles of investment portfolio management is to diversify and most people should not put all their money in one stock or even in one industry. I recommend to them they don't even put it all in one nation. If you diversify in many nations you will be less subject to the declines in the stock markets. The Canadian market sometimes has years of performing badly; so does the New York market. If you are only in those markets, then you suffer in those years. But if you have diversified, you don't suffer as much as the people who put all their eggs in one basket. So the world-wide viewpoint is a safety factor. It also helps you to find better bargains and, of course, bargain money is also a safety factor. If you buy something for a half or a quarter of what you think it is worth, the risk that it might go bad on you is smaller than if you bought something for all its worth or more than its worth. So, searching for bargains and searching world-wide gives you better bargains and less risk.

The third point is that we are flexible. We are properly called the flexible investment mutual fund. Now what does that mean? The majority of funds in North America are specialized. There will be a fund that specializes in high income stocks and another fund that specializes in high quality stocks and another that specializes in technology stocks or growth stocks, or whatever. Those are specialized funds and in certain types of stock market conditions they produce a record much better than ours. But they do that only occasionally.

There are many funds that don't call themselves specialized but really are because of the psychology or the mental attitude of the people who manage them. For example, there are many people who just can't persuade themselves to buy a stock that isn't famous so they are specialists in famous companies. There are others who are prejudiced toward backing growth so they are always in growth stocks. The majority of mutual funds are specialized. We have tried very hard for forty years to avoid that by changing our type of security fairly often. My viewpoint is that if we've been successful, if we've been in the right kind of security for several years, then it's not going to be right in the future. There's always a temptation, when you've had unusually favourable performance, to be self-satisfied and to think that you have found the answer so you will just continue with it. But it's almost certain and it's only common sense to say that if you have invested in some kind of security or a nation or an industry or whatever for as long as five years and you've had a very superior performance, then that is not going to be the right area for the next five years. So we try to go for something different. That's what we call our flexible policy.

Now in changing from one type of security to another we can't be right all the time. Sometimes we make a mistake. The way to decide which area to change into is to look around and ask, "Where are the cheapest stocks? Which stocks are the lowest price? Which industry? Which nation? Or what type of stocks? Is it income stocks or growth stocks?" Then we consider shifting from our successful area into the new one.

Now that brings me to the fourth and last method of investing, and that is that it is utterly impossible to buy a bargain if you buy what other people are buying. If you want to buy the same thing that is popular with your friends or popular with the investment security analysts you can't get a bargain. If you buy the same things they buy you will get the same performance they get. If you are going to have a superior performance you've got to buy what the other people are not buying or even what those people are selling. Therefore, we search for those areas that are unpopular and then we study them to see if that unpopularity is permanent.

Now, there are a few odd cases where something never comes back. Let's say you bought stocks in Cuba twenty years ago and Castro came in; the market never came back. But in most cases they do finally come back. So we search for nations or industries where the stock prices are extremely low and they are only extremely low when there are good reasons for it. Things don't get very low for no reason. They get low because other people are selling them. That's the only thing that puts the price down. So we search for those things that other people are selling and then if the problem or adverse outlook is temporary we buy them and hold them patiently for years until the public changes its mind.

Some of the ancestors of the Rothschilds in Europe were asked questions on this subject and they said something that might amuse you:

> We always buy cheap and sell dear. We are philanthropists. Sometimes people are extremely anxious to sell things and are willing to try to find a buyer at any price and so we buy and accommodate them. And at other times people are extraordinarily anxious to buy something and bid it up to a high price, so we sell and accommodate them.

Now, naturally I would like to say that the outlook is very uncertain but I could have said that every day for the last forty years. It's always uncertain. We don't have the same uncertainties that we had in the past but we have some very serious uncertainties. Therefore, nobody can promise you that you are going to get good investment performance in anything, no matter what, including Templeton Growth Fund.

One of the great uncertainties is socialism. Throughout the world there is a tendency for government to interfere more and more with free enterprise, the free economic process of the competitive system, and that does lead to a lot of problems for investors. It burdens producers with a lot of unnecessary work and expense. It raises the cost of almost everything. It reduces the growth rate. So in our investment work one of our major problems is to find out which stocks are not likely to be greatly hurt by socialism. And in order to do that we study all nations where information is available to see what happened where socialism has become serious. Did they nationalize the banks or the mines or the oil companies or the railways? Did they regulate rents so that they became uneconomic? We try to avoid those areas of risk. Now let me pass on to inflation. There has always been inflation and there always will be, but in our opinion it will be faster in the future so more than ever before we are searching for shares of companies that will not suffer much from inflation or maybe even would benefit from inflation. You are never sure in making these decisions. But, for instance, we bought shares of a Canadian company called Daon about five or six years ago because it had ninety per cent debt. Forty years ago we would have stayed away from it because any company that's got ninety per cent debt in its structure is risky. But we took the viewpoint that in the real estate field where Daon is, if ninety per cent of their capital was in the form of debt then the owners of the ten per cent would receive the total appreciation. That has been one of our fortunate selections — worth ten times what we paid for it five years ago.

Now, I have touched much too briefly on areas of trouble. There is sure to be all kinds of trouble in the world. But let me say that as far as I can see (and I have studied this continually) all the kinds of trouble in Canada and the United States or Europe or Asia are not going to lead to deflation. If you find anything that's going to lead to deflation, let me know! Whatever or how serious the troubles are, there may be chaos but not deflation.

If these things lead to inflation rather than deflation then you shouldn't have your money in cash and bonds because they are not going to protect you. Not that real estate will protect you, but at least you've got a chance. And so I would say to you that after you have finished worrying about all the world's problems, don't sell your stocks.

Where will common stock prices be eight years from now? First, let's look at where the gross national product will be. I believe, and almost every economist would agree with me, that the gross national product will double in the next eight years. That's largely because of inflation. The cost of living in the United States doubled in the last eleven years and at the last estimate it will double again in the next nine years, so that the cost of living alone will almost double the gross national product. When you add on increased population and increased output per person it is, I think, conservative to say that the gross national product of Europe or Canada or the United States will double in the next eight years. If the gross national product doubles, the sales volume of the corporations will double.

If sales volumes double, what will happen to profits? They will double too unless there's a change in the profit margin. There could be, and there sometimes are, temporary changes in profit margins but my guess is that profit margins eight years from now won't be any lower than that. There's a less than even chance that they will be lower and a better than even chance that they will be higher. Therefore profits will double.

If profits double what will happen to share prices? Right now shares are selling on the Dow Jones Industrial Average in New York at only six times earnings. In Canada they are slightly higher than that but not much. If you exclude the oil and gas stocks, your industrial stocks are almost as cheap as they are in the United States. Now in the United States, over an eighty-year period, stocks sold at fourteen times earnings and for many reasons I think that sometime — six, seven, eight or nine years from now — stocks will again sell for at least average price/earnings ratios. If they do, that ratio is more than double where they are now in New York, and if earnings and the price/earnings ratios double, stock prices will have to quadruple. That's not a certainty but in my opinion there's a better than even chance that within eight years New York stock prices will quadruple.

Let me say that there are several reasons why I would say that this is not over-optimistic. One, that I have already mentioned, is that price/earnings ratios today are extraordinarily low. I have never seen a time in forty years when the ratio between the price and the earnings was below six for more than two or three months. Further, price/earnings ratios are low compared to what they are in other nations. In Japan the average price/earnings ratio was twenty times earnings. In most of the world price/earnings ratios are far higher than they are in Toronto or New York so I think that common stocks are cheap in relation to earnings.

The next point is that share prices are low in relation to book value. There have been very, very few times in the history of the United States when you could buy shares that hold all stocks on the exchange below their book value, the asset value. This is one of those few times. The asset value of the Dow Jones Industrial Average is about 900 and you can buy them now at 830. In addition to that, consider the replacement cost of those assets. I have spoken only of their original cost, but the replacement value is far higher than their book value. Never has there been a time when common stocks were so cheap in relation to their replacement value. Even five years ago, when the industrial average was 577 compared with 830 today, it was not as cheap as now in relation to replacement values. Even in the famous great depression, when common stocks got down to 190 in 1929, they were still not as cheap in relation to replacement values as they are today. The same sort of assurance is borne out by what people who know the companies are willing to pay for those shares. Companies are buying in their own shares more than they ever did in the past because the people who run them know that their stock is selling for a fraction of what it's worth. So they use their cash to buy in their own shares. Their competitors, other people in the industry, know how ridiculously low the prices are and so we have take-overs. We have never had so many. In take-overs the buyer will frequently pay fifty per cent or even a hundred per cent above the market price because the people who know these companies best know that they are bargains even at double the selling price. So that assures me that this is a period of bargain prices.

The last thing, and the most important of all, is that the stocks don't necessarily sell at a high price because of value. Value is only half of the equation. The other half of the equation is how much cash. Most security analysts say ninety-nine per cent of the work done by security analysts is on value — what a company is worth. But what determines the buying price is partly value and partly what people are going to do with the cash and how much cash is available. And when you look at that, the picture is surprisingly optimistic. I have never known in my lifetime a period when there was so much cash in the banks, so much cash in the savings and loan associations, so much cash in the trust companies, so much cash in the pension funds or in the hands of the people. That's why the stock prices in Japan are twenty times earnings — there's so much cash.

Take one particular instance. Let's say pension funds. There is in the United States about $600 billion in pension funds and over the years about half of the new money going into pension funds was put into common stocks. When the managers were optimistic in 1971 and 1972 they put more than 100 per cent of each year's new money into common stocks. Last year they put in only nine per cent of their new money into common stocks. But the time will come when again they will be putting fifty per cent into common stocks. That's $30 billion a year of new money going into common stocks and there are not that many common stocks to buy. If you make an arithmetic calculation with compound interest, you will find that if the pension fund managers in the United States put fifty per cent of their new money into common stocks and keep it there, within ten years they will own more common stocks than the total amount outstanding. The total amount outstanding in the United States is about $900 billion worth of common stocks and the pension funds will own more than that in ten or eleven years if they put fifty per cent per year into common stocks.

It won't happen that way. They are not going to own more than all the stocks outstanding. But what *will* happen? They will start to bid against each other and that will get the prices up. So the risk on the down side, and there is a down-side risk that stock prices might go down next month or next year, is small compared to what can happen over the next seven or eight or nine years when the pension fund managers and the public gets excited about stocks again. When they get fearful about the value of their cash and the value of their bonds and try to shift into stocks, the prices at which common stocks can sell will be surprising. Certainly the potential on the up side is many times as great as the risk on the down side. If you go back in history in all nations you will find that the greatest way to preserve wealth is real estate. Throughout all history that has been a great way and it still is. But I am not buying much real estate now because the average stock on the U.S. stock exchange all lumped together are selling forty per cent lower than they were eleven years ago and I can find very few pieces of real estate that's forty per cent lower.

The second largest area of investment is bonds. The amount of money the world has invested in bonds is far greater than is invested in common stocks. But I own practically no bonds because I regard them as a guaranteed way to lose money. Right now we have the highest deals we have ever seen on bonds in the United States — ten per cent on the very highest Triple A top quality bonds.

But most bonds belong to fairly wealthy people who are probably in the sixty per cent tax bracket, so if they pay off sixty per cent on the bond income that leaves them only four per cent. With an inflation rate running at nine per cent a year they are losing five per cent a year purchasing power by being in bonds. If they put it into city or state bonds in the United States where the interest is tax exempt they get a better deal but they still lose something every year.

Gold is an increasing favourite as a way to protect yourself against inflation and in the very long run gold has protected people all over the world against inflation. But I am not buying it now. I am not buying it because I am always looking for what is unpopular, and gold is not unpopular today. Also gold pays no dividend and has no intrinsic value. Its value depends on human psychology.

So I would not say that the best bargains in the world are in real estate, bonds, gold or collectables. The best rate of investment in the last ten years would have been in things like paintings or rare books or Chinese ceramics and all kinds of things like that. They have done far better than common stocks. But the fact they have done better in the last ten years means they are not cheap. This is not the time to go into collectables to protect yourself against inflation.

So what has happened? I like to look at the fundamentals. I like to ask, "What is the basic fact here?" Throughout the history of the world, ownership of your own home has almost always been a wise policy in every condition. No matter what happens owning your own home is something I would recommend to you. Another thing which we tend to forget in our modern sophisticated society is that throughout all the centuries, in fact, throughout all the millions of years in the past, having a lot of jewellery was your way to build up your wealth and it still is. But there's still a better way. And I am going to give you that in four quotations and then I'll sit down. These four quotations have more wisdom than all the security analysts I have ever met.

Firstly, life on earth is only a brief moment between two eternities.

Secondly, when you die all you can take with you is what you have given away.

Thirdly, store up your treasures in heaven where neither mould nor rust ever corrupt nor thieves break through and steal.

Lastly, we give Thee but thine own, dear Lord, what e'er our gifts may be, for all that we have, dear Lord, is but a trust from Thee.

The thanks of the club were expressed to Mr. Templeton by Donald H. Carlisle, a Director of The Empire Club of Canada.

DECEMBER 6, 1979

The Chains of our Freedom

AN ADDRESS BY

His Eminence,
Gerald Emmett Cardinal Carter
ARCHBISHOP OF TORONTO

CHAIRMAN

The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: Those of you who have been regular attenders at Empire Club luncheons over the years are aware that one of the features of our meetings is a welcoming introduction of the guest of honour. It is our tradition to introduce speakers warmly, and certainly it is my pleasure to perpetuate this tradition in presenting His Eminence, Gerald Emmett Cardinal Carter, Archbishop of Toronto. However, before doing so I thought that His Eminence might be interested to know the amusing reaction to an introduction of one of those speakers who preceded him to this podium a few years ago.

On May 1, 1975 we were addressed by the Most Reverend Donald Coggan, The Archbishop of Canterbury, who began with the following remarks: "I am very grateful to you, Mr. President, for the kind way in which you have introduced me today, and for the over-kind way in which you have written up my undistinguished life. I remember the story of the man who was introduced, perhaps over-flatteringly, when he was about to make a speech. When he got up to reply to the introduction, he said that he felt that he had to offer up two prayers for forgiveness: one, forgiveness for the man who had introduced him because he told so many lies, and the second for himself because he enjoyed it so much."

In introducing Cardinal Carter there is no need to exaggerate or to be over-flattering because simply reminding the audience of his accomplishments is in itself a glowing tribute to the man who is with us today as guest speaker and guest of honour.

Cardinal Carter spent his first twenty-five years in the priesthood working in various educational fields. He founded St. Joseph's Teachers College in Montreal — a college for English-speaking Catholics of the province of Quebec — and was a member of the Montreal Catholic School Board for fifteen years. He has also been deeply involved in adult education, both at the university level through the Newman Club at McGill and as first president of the Thomas More Institute in Montreal.

Cardinal Carter was a professor of catechetics for twenty-five years and his experience and insights into catechetics and the teaching of religion are expressed in his book, *The Modern Challenge to Religious Education.* He is the author of two other books: *The Catholic Public Schools of Quebec* and *Psychology and the Cross.*

Cardinal Carter moved to Ontario in 1961 when he was named Auxiliary Bishop of London and Titular Bishop of Altiburo; he was installed as eighth Bishop to the See of London in 1964. In this post he served on a wide variety of commissions, conferences, committees and councils and was awarded honorary degrees from the University of Western Ontario, Concordia University, University of Windsor and Huron College. In June of 1978 he was installed as Archbishop of Toronto and one year later, in June of this year, he was created a Cardinal by Pope John Paul II. His investiture in the Sacred College of Cardinals was recognition of the work he has performed within his church and his communities and, in receiving this recognition Cardinal Carter brought great honour to Toronto and Canada.

Cardinal Carter was asked by Metro Chairman Godfrey in the summer of 1979 to serve as mediator in an attempt to alleviate racial tensions in Toronto. His report was published quickly and, as everyone in this room knows well, it won support from all quarters as soon as it was released.

His Eminence was also asked in the summer of this year to come to the Empire Club to speak on a topic of his choosing. Happily for all of us the invitation was accepted; intriguingly the paradoxical topic "The Chains of our Freedom" was chosen.

Your Eminence, we are delighted that you are with us this afternoon and, on behalf of the members of The Empire Club of Canada, I am honoured to invite you to address us now.

Ladies and gentlemen, please welcome His Eminence, Gerald Emmett Cardinal Carter.

CARDINAL CARTER:

One of the philistine postures of our times is a certain contempt for language, particularly for the use of expressions of classical derivation. Some manifested surprise when I use the term xenophobia, the fear of strangers, in my report on minority relations to the Toronto authorities. Yet it best describes the nagging affliction of the human race which causes us to turn inward upon ourselves when confronted with the unknown.

The popular science fiction of the moment deals with people from outer space. The assumption is almost universal that they are hostile. Orson Wells easily panicked the east coast by a simulated invasion which revealed the ease of arousing that lurking attitude. There are people out to kill the Susquatch in British Columbia, or his cousin in the Himalayas who has been dubbed "abominable" without ever asking if he might not be a very nice fellow who loves children and dogs. The fact is that the term "racism" is not broad enough. Anything that is different or strange seems to be threatening.

It can be a difference of *language*. Chesterton said it for us beautifully in his "The World State":

> Oh how I love humanity
> With a love so pure and pringlish.
> And how I hate those horrid French
> Who never will be English.

We have ridden right up to the brink of the dissolution of our country and, while it is not the only cause, our attitude to our French-speaking fellow citizens is surely a part of it.

It can be a difference of *religion*. Heavenly Father, what crimes have been perpetrated in thy name! A gentle Jew named Jesus came to tell us to love one another and his message was delivered with such power that the world has been filled with his disciples, who have proceeded to hate and persecute the very Jews who were and are his kinsmen; to fight to the death among themselves — all in his name — and who even today carry in their hearts hostility and animosity, fear and narrow-mindedness for those who have not adopted their own particular version of his message. Northern Ireland comes promptly to mind, but lest we look too far afield, please remember that the gentle monks of the Trappist monastery in Oka found bigotry right here in Ontario. And unfortunately it is not limited to Christians. The Ayatollah Khomenei gives us a magnificent demonstration of the misuse of religious fervour towards those "outside the pale."

In a satirical mood Hilaire Belloc wrote:

Heretics all, wherever you may be
In Tarbes or Nimes or over the sea
You never shall have kind words from me
Caritas non conturbat me!

It can be the colour of the skin, the curl of the hair, size, sex, age, wealth or poverty, occupation, dress — it's unlimited. It's xenophobia.

Most thoughtful people, upon reflection, will agree with this analysis. But the question with which I would like to deal today is what do we do about it? This is considerably more difficult. You will, I trust, have noted the paradoxical title which I have given to this address, "The Chains of our Freedom." Most things in human living are caught up in this type of paradox. We always have to give a little, in order to live a little. The impossible dream is not one of achievement but one of absolute freedom, in the sense that we can do everything we want to do, irrespective of our relationship with others. Behind this, of course, is a philosophical problem which has divided philosophers for many centuries now. It is the age-old need to balance individuality and community.

Chains and Freedom

We have two terms and two concepts. The first is that of "chains." The concept of chains is specifically that we have a social responsibility, and individuality cannot be permitted to run wild. We must each make concessions if we are to live in peace. Behind the kind of xenophobia that I have described is the demon of pride. It postulates a superiority that inhibits almost all social relationships. In any of the areas which I have described as being fertile in terms of this attitude, the basic and underlying force is that in some way, whatever it is *I* have inherited or have developed is better than that inherited or developed by someone else. My

His Eminence,
Gerald Emmett Cardinal Carter,
Archbishop of Toronto

colour is better, my language is better, my religion is better. In some subtle way this gives me the right to impose my views or at least my superiority upon others. And usually this is masqueraded in terms of the good of others. We are such masters of self-deceit that we can always find excuses for our oppression or our hostility, or even our hatred.

I find it at least faintly amusing that I am addressing the "Empire" Club because I must confess that, like most of you, I am not much of an imperialist. Perhaps the most benign regime in the history of empires was the British but it was not devoid of the kind of attitude to which I refer. The British Raj was an expert at presenting himself as a boon to all of the people whom he conquered. The expression "the white man's burden" is about as close to this type of arrogant assumption of superiority as one can imagine. And all of Kipling's "You're a better man than I am Gunga Din" doesn't change much. Better man or not, I am sure that Gunga Din was not often invited to have gin and tonic with the colonel and his lady.

Now please do not assume that because I postulate restriction upon individuality that I support some sort of naïve proposition that everyone is equal. I would have to examine that kind of statement. I believe profoundly in a basic equality before God. This is the only really important equality and it will be worked out in a time and place that is beyond our ken. I believe that in human affairs this must be reflected in equality before the law. But it is naïve to arrive at the conclusion that for this reason everyone is equal in talent or ability, or that we should enter into some sort of communist state that claims to establish such equality regardless of merit, talent or initiative. Individuality properly understood is equally precious and the equality to which I refer is of a different and more basic nature.

Strangely enough, the very freedom we seek cannot be attained until we chain some of our exaggerated individuality. Freedom is one of the most abused words of our times. Practically every evil which has been perpetrated upon mankind has, one way or another, been disguised under that covering. It was a favourite word of both Hitler and Stalin. It is presently being used extensively in Iran to justify the *denial* of freedom to hostages. Our civilization swears by it. But what does it mean? Does it mean that I, an individual, can impose my will on the community, say by driving my car at any speed I choose, or by deciding that I have claim over other people's possessions or lives? Obviously not. The limitations I have already suggested indicate that society requires that my unbridled lust for power or possession must be chained.

The problem is to discover how these two concepts, chains and freedom, coalesce and may, actually, get along. My freedom is my dearest possession. Men rightly die for it. But the question seldom asked is freedom to do what? *At what point does my freedom transgress on yours, because fatally it must sooner or later.*

I do not propose to solve this dilemma but only to present it for your consideration. It has its immediate application in things like censorship. None of us likes that word and its connotation. Since God Himself gave us the freedom, if you can call it that, to destroy ourselves, I, for one, don't like to tell grown people what they can do and what they can't. But we must think of the implications. What about the area of exploitation? When pornography, for example, takes helpless children as its victims, can we say that the exploiters should remain immune in the name of freedom?

I am hesitant to bring up the question of the exploitation of women because this matter is now such a convenient catch-all for every two-bit reformer. That is until I hear about "snuff" films. Is there anyone here who feels we should give the freedom of the marketplace to films in which the victim of the plot, usually a girl, is murdered, not only in pretense but in reality? Pornography exploits the young, the helpless, the drug addicts. Does freedom mean we must tolerate and even aid and abet this exploitation? I ask the question. But this must remain an illustration in a larger picture.

Our Common Humanity

To put it another way, there are two manners in which we can approach the human condition. The first is to place the emphasis upon our differences. But I believe that this is the wrong road, the road of racism, the road of xenophobia. I believe it will foster dissent and turmoil and have no positive results even in those who use it to their own advantage and advancement.

The other road is the road of what we have in common. And I am convinced that what we have in common is far superior, far more fundamental than that which divides us. I rejoice that a person like Mother Teresa could be given the Nobel Prize. Here is a woman who can find our common humanity in conditions in which you and I would find nothing but a revolting situation of desperate alienation. Nor do I postulate that we all must have the heroism of Mother Teresa. The specimens of humanity to which she has dedicated her life lie on the fringe of human existence, and most of us could not face them for long. But it is assuredly a lesson to all of us that we can and should recognize our common humanity wherever it exists.

Chains for Freedom

The "chains," therefore, are those which postulate that we must make sacrifices *in order to* achieve a common brotherhood or sisterhood. I have been working on paradoxes all through these remarks and once again I find myself in that position. The kind of "chains" I am postulating are not really limiting chains but freeing chains. The scene that comes most vividly to mind is that in which Paul stands before King Agrippa, at the court in Caesarea. The king says, after a vibrant plea by Paul, "Paul, in a little time you would convince me to be a Christian?" And Paul says to him, holding forth his manacled hands, "Would to God that you were as I am in all things, save these chains." (Acts 26:29) But the very chains that Paul wore were not symbols of enslavement but symbols of freedom. He was in chains because he would not give up his freedom to express the truth as he saw it. This is the freedom of the human spirit and it is in that context that I speak of the "chains of our freedom."

They are limitations that we put, not upon the soaring aspirations of all that is noble within us but rather on all that is petty and small within us. Man is a very complicated being. He is capable of the utmost heroism and nobility and at the same time he is capable of the lowest forms of desperate evil. The dark part of myself must be curbed in order that the other may be let loose. The chains I am speaking of are chains that limit us and hold us back or hold us down. To use another metaphor, they are the links that hold the hawk to the wrist of the falconer so that he may be ready for his flight at the supreme moment. At that moment, the bird leaps into the air. In a close simile, Gerard Manley Hopkins describes the situation beautifully: "And the spirit broods over the bent world with, ah, bright wings." The bent world is the dark side of us, but the spirit is always there and soars over that bent world once we let it loose.

It is not an exaggeration to say that this limitation of freedom is a necessity. Strangely enough, the manner in which we approach the necessity may well determine whether the chains or the freedom predominate in our lives.

The Motivation

We can look at this necessity to work one for the other and one with the other in a totally selfish way. This is frequently misrepresented as "the golden rule." People say that the "golden rule" is "not to do to others what you would not want done to yourself." This can be a very small view. I think it is best summed up in the adage which often appeared on billboards a few years ago, "The life you save may be your own." I am not averse to saving my life, but I hate to think that the only reason why we should drive or live soberly or carefully is that we might save our own lives. I would like to think that we are not devoid of sensitivity to the point where we might also like to save the lives of others.

I do not feel that human rights and human civilization will be advanced simply by the egotistical position that we must do something to avoid racial tension, to avoid xenophobia, because we ourselves are involved, and what we do to others may someday be inflicted upon us. Even in the economic order, I must reject this line of argument, although it has its cogency. It is perfectly true to say that unless we do something to redistribute the wealth of this world, we will lose the very wealth that we have. But I would hate to think that this is the only argument. I feel that our self-discipline can lead us to a far nobler achievement.

In conclusion, I am convinced that we can achieve a true sense of dedication one to the other because we can understand the worth that exists in persons other than ourselves. One of the most cogent books that I have ever read in my life, and that has ever since illuminated my thinking, is called *The Heart and Mind of Love* by Martin D'Arcy. It is a treatise on what he calls "Eros and Agape." To make it short, "eros" is the self-satisfying aspect of love. It is not evil. It is not illegitimate. It is a very important part of man's fulfilment. But it is not the totality of that fulfilment. "Agape" is the other aspect, one in which we seek not our own good but the good of the beloved. It is the outgoing manifestation of love. It is the principle by which I do not think of others in terms of what I can get out of them or much less what sort of threat they represent. Rather I think of them in terms of the good that lies within them and the good that I would like to see fulfilled. Agape is masterfully defined by Paul when he says that "Love does not seek its own." Herein lies our own fulfilment as well because "It is in giving that we receive." The chains have done their work and the dark spirit of egotism has been curbed to allow our true freedom to express itself in light and love.

My friends, I know that I am speaking in idealistic terms but I do believe this is an objective that we can achieve and that we must achieve. It is negative in one sense, which is the sense of the chains that I have spoken of. It is negative in the sense that it is a denial of violence and hostility, as so masterfully described by Pope John Paul II at Drogheda on the confines of Northern Ireland; as illustrated by Gandhi and Martin Luther King; as achieved by Jesus when he told Peter to put his sword back in its scabbard and added, "No man takes my life from me. I lay it down of myself."

This is the full meaning of freedom, the freedom to be myself to the fullest point of my capacity that involves, above all, the capacity to give. We are still shot through with the concept that those who have succeeded are those who have received the most. We are a long way from the philosophy that those who have succeeded are those who have given the most. But I am convinced that we are slowly and painfully on our way in that direction. It is the way that I would like to point out today. Our freedom to love one another, to respect one another lies ahead.

Also in that direction lies the true development of humanity. Four years ago, Bernard Lonegan, S.J., one of the truly great thinkers of our time gave a lecture in Montreal entitled "Healing and Creating in History." The healing of which he spoke is not far removed from the thesis I have expounded before you today. Among other things he says this, "Where hatred reinforces bias, love dissolves it, whether it be the bias of unconscious motivation, the bias of individual or group egoism, or the bias of omnicompetent, short-sighted common sense. Where hatred plods around in ever narrower vicious circles, love breaks the bonds of psychological and social determinism with the conviction of faith and the power of hope."

It is from that point that true creativity can spring. And only from there. We will therefore never solve the problems before us except in that positive context which is the context of agape.

Let me conclude by a quotation, not from Sacred Scripture, not from the Talmud, not from the Koran, but from a Persian proverb:

The Lover goes to the desert to purify himself before he seeks the hand of his Beloved. After many months of prayer and fasting and self-discipline he approaches the abode of his Beloved. He knocks upon the door and a voice comes to him from within: "Who seeks entrance?" He replies, "It is I," and the door remains closed to him.

Sadly he returns to his desert habitation and again pursues his course of meditation and prayer and penance in search of the mystery.

At last he again rises and seeks out the abode of the Beloved. As before he knocks and as before the voice comes to him, "Who seeks entrance?"

He replies, "It is Thyself," and the door opens unto him.

The thanks of the club were expressed to Cardinal Carter by Reginald Stackhouse, a Director of The Empire Club of Canada.

DECEMBER 13, 1979

Christmas Luncheon

GUEST OF HONOUR The Honourable Pauline McGibbon, LIEUTENANT GOVERNOR OF ONTARIO

CHAIRMAN The President, John A. MacNaughton

MR. MACNAUGHTON:

Your Honour, distinguished head table guests, ladies and gentlemen of The Empire Club of Canada: Today is a very happy one in the annual cycle of events in the life of The Empire Club of Canada. It is our Christmas Party, our yearly homecoming when our members invite their families, their friends, and their business and professional associates to join in a luncheon to celebrate the approaching holiday season and to rejoice through music in the birth in Bethlehem of the Prince of Peace almost two thousand years ago.

Our annual Christmas Party is a time for nostalgia; it is also one for looking forward to challenges and responsibilities in the next year and beyond. But mostly it is an interlude in our busy lives when we can savour the present — the fellowship, the good food and the beautiful music that are traditional to Empire Club Christmases.

Elizabeth Bowen expressed a similar thought in "Home for Christmas":

> Again Christmas: abiding point of return. Set apart by its mystery, mood and magic, the season seems in a way to stand outside time. All that is dear, that is lasting, renews its hold on us: we are home again.

Helen Keller described the potential of the enthusiasm for Christmas with the following words:

> Blessed by the Christmas sunshine our nature, perhaps long leafless brings forth new love, new kindness, new mercy, new compassion.

It is in that spirit of renewal and growth that we join here together this afternoon to wish one another a Merry Christmas.

To bring Christmas greetings to us all from the Queen of Canada we are honoured to have with us for the fifth time our Honorary Vice President, the Lieutenant Governor of Ontario, the Honourable Pauline McGibbon.

I recall at a state dinner on the evening of June 29 of this year listening to the band of the Royal Regiment play "Amazing Grace." Her Honour sat at this very table, at the right hand of Queen Elizabeth the Queen Mother. The two were both focused intently on the piper who was spotlighted as he stood in that gallery.

The Queen Mother and Her Honour were silhouettes, equally poised, equally warm, equally inspiring. It was evident then that Her Honour, Pauline McGibbon, was the exemplum of what a Lieutenant Governor should be.

She is in the tradition of the Royal Family, whose Queen she represents, and we all admire her greatly for the dignity with which she fulfils her role.

Ladies and gentlemen, it is my pleasure to call on her now: Her Honour, Lieutenant Governor Pauline McGibbon.

Her Honour, the Lieutenant Governor, as the representative in Ontario of Her Majesty Queen Elizabeth, brought greetings and best wishes for a happy Christmas to all members of the Empire Club.

The Honourable Pauline McGibbon, O.C., B.A., LL.D., D.Hum.L., B.A.A. (Theatre), Hon. F.R.C.P.S.(C), Lieutenant Governor of Ontario, receiving a bouquet of flowers from Brig. Gen. Reginald W. Lewis, C.D., Immediate Past President, The Empire Club of Canada.

MR. MACNAUGHTON:

I now call on General Reginald Lewis to present a bouquet of flowers to Her Honour. (*Presentation of bouquet of roses.*)

MR. MACNAUGHTON:

Ladies and gentlemen: It is now my pleasure to introduce to you those who have honoured us today by their presence at our head table.

If you will permit me, I wish to depart from our usual order and ask two guests to stand together, namely Margaret Hogan, formerly a weekly columnist with *The Globe and Mail* and now staff writer for Imperial Oil, and Scott Young, who is the author and co-author of twenty-five books, a man who has written a daily column in Toronto newspapers since the 1950s.

We are especially pleased that these two writers are with us today because together they are the co-authors of a book entitled *The Best Talk in Town* which is based on the speeches given over seventy-five years at luncheon meetings of the Empire Club. It is a delightful book which I recommend to all of you and I invite you now to join with me in a special welcome to the co-authors whose skill and hard work has produced it.

My next statement will sound like a commercial, but I assure you that it is merely a public service announcement. The club has arranged to have a supply of books available in the hallway after this luncheon for those of you who wish copies for your own library or for Christmas gifts.

The other head table guests will now be introduced and I ask that you withhold your applause until all have been presented. Since our gathering today is a family affair, they will be introduced by name only.

Ladies and gentlemen, the Empire Club is an institution. Like all institutions it succeeds because many people, on their own initiative, do the work that must be done and can be depended upon to do it efficiently, tactfully, and on time. Unquestionably the two most important in this regard are our executive secretary, Eleanor Cook, and our office secretary, Betty McAdam. I am pleased to acknowledge before this large audience my personal indebtedness and that of the club to them. Mrs. Cook and Mrs. McAdam are truly the sine qua non of the Empire Club.

For my personal secretary, Ann Krallisch, the day-to-day work of keeping an Empire Club President on top of the many details of the current program is sometimes an unfair additional work load, but in keeping with her Scottish-Presbyterian upbringing she budgets her time carefully and all is done with thoroughness and professionalism. My thanks go out to her today.

Several times during our fall program the attendance at our meetings has been larger than anticipated and out of nowhere appear tables, chairs, linens, cutlery and plates and hearty meals for the overflow. The magicians who perform this feat are the staff of The Royal York Hotel, in particular Adriano Ferreira and Charles Decastro along with Emilio Fucile and Sammy Constanzo. We thank them for their years of excellent service to the club.

To Stanley St. John, our club pianist, whose music we have enjoyed for many years, we say thank you for your continuing support and interest.

Finally, ladies and gentlemen, I want to thank George Stafford who for many years has been chairman of our Christmas Luncheon Committee and this year again, with help from his Vice-Chairman Michael Stevenson, he has attended to all the details that annually make this luncheon a success.

Ladies and gentlemen, one year ago at the Empire Club Christmas luncheon our then President, General Reginald Lewis, described his predecessor, Peter Hermant, as "a man I envy very much." He went on to say, "The reason I envy him is because he is immediate *Past* President." While I realize now that General Lewis was sincere in the sentiments he expressed I confess to you that at the time I was suspicious. You see, I had read the words of French novelist Edouard Daladier who in 1944 made the following observation: "The weakness of democracies is that once a general has been built up in public opinion it is impossible to remove him."

Mindful of those words, one year ago I wondered whether the wide respect and rave reviews Reg Lewis was winning for himself through the excellence of his stewardship of this organization might persuade him

The Honourable Pauline McGibbon, Lieutenant Governor of Ontario and Honorary Vice-President, The Empire Club of Canada; John A. MacNaughton, President, The Empire Club of Canada; Gail MacNaughton; Donald W. McGibbon.

to declare himself the Empire Club's President for Life.

After now experiencing eight months of the rigorous duties of the presidency of the Empire Club, I am certain that such a thought would never have crossed his mind.

Ladies and gentlemen, leaving the joking aside, I am sure you will agree with me that it was our good fortune that in our seventy-fifth year, a year of celebration, we had as our President a man as dedicated to the traditions and high standards of this great club as Reg Lewis.

The Lewis yearbook, which was an anniversary edition with an exhaustive index of over two thousand speakers, arranged alphabetically and by topic, is an important piece of Canadiana and it will stand for many years as a tribute to his outstanding season as our President.

Each year the Christmas Party is the event at which we honour our Past President by presenting him with a commemorative scroll signed by our Honorary President, the Governor General. It is my pleasure to present this scroll to Reg Lewis with the thanks of 2,500 admiring and grateful members of The Empire Club of Canada.

Ladies and gentlemen, General Reginald Lewis.

GENERAL LEWIS:

Ladies and gentlemen, Mr. President: Thank you very much for this illuminated scroll. I must say, Mr. President, that when you appeared to be having difficulty finding the scroll, and then I caught sight out of the corner of my eye of Bud Hoffman advancing with a bouquet of flowers, I was really quite concerned.

You see, my problem was I was apprehensive that I was about to commence a new custom in the club and receive a floral tribute instead of the traditional scroll. Thank goodness you found the scroll and that the flowers are for my wife Sheila. I don't know what I would have done if I had received flowers for I had already decided where I was going to hang this scroll and I must say it would be a pretty silly place for flowers.

I intend to hang the scroll where I will see it most days of the year. That way it will be a constant reminder to me of the great pleasure I had when I was privileged to be your President. I thank you for that pleasurable year, as I do for this illuminated scroll.

MR. MACNAUGHTON:

We also acknowledge our thanks and admiration to Sheila Lewis and I ask our First Vice-President, Bud Hoffman, to present her with a bouquet. (*Presentation of bouquet of roses to Mrs. Lewis.*)

MR. MACNAUGHTON:

Ladies and gentlemen, I now call to the microphone the President of The Empire Club Foundation, General Bruce Legge.

GENERAL LEGGE:

Mr. President, Your Honour, fellow members and guests of The Empire Club of Canada: It is a great pleasure for me on this festive occasion to be asked to present an autographed volume of *The Best Talk in Town* to our Honorary Vice-President the Honourable Pauline McGibbon, the Lieutenant Governor of Ontario.

This fascinating book was the 75th Anniversary project of the Empire Club and Foundation. We are delighted that two of Canada's famous journalists, Scott Young and Margaret Hogan, were able to undertake the prodigious research of studying the speeches given to the club since our foundation in 1903. The result of their work and talent is a brilliant and witty highlight of the club's place in Canadian history.

It should also be said that the General Lewis Yearbook for 1978-79 is a worthy counterpart to *The Best Talk in Town* because it contains an index by author and by subject of all the speeches given to our famous forum for seventy-five years.

Your Honour, the Crown in its "noblesse oblige" has always lent its patronage to valour, to learning, to literature, to medicine, to science, to patriotism, to charity and to good works. In your association with The Empire Club of Canada and with so many other great Canadian institutions you are the Crown! I offer you the thanks of all our members and ask you to accept the first autographed copy of *The Best Talk in Town* which I am certain you and Mr. McGibbon will enjoy.

MR. MACNAUGHTON:

Ladies and gentlemen, the joy of Christmas is beautifully expressed in the rich heritage of music that has been produced over the centuries. To perform a selection of Christmas songs and to lead us in singing some of our favourite carols we have with us this year the Oriana Singers, a nationally renowned group of female vocalists under the direction of John Ford and accompanied by Doreen Uren-Simmons. I invite you to enjoy their voices now as they enter singing.

A program of Christmas music was presented by the Oriana Singers.

MR. MACNAUGHTON:

Thank you, John Ford, thank you, Doreen Uren-Simmons, and thank you, Oriana Singers. I trust that the attentiveness of this audience and the warmth of its applause demonstrated to you how much we enjoyed your music today.

Ladies and gentlemen, will you please join in singing the first verse of "O Canada", following which will you please remain standing until the Vice-Regal party and the choir have departed from the room.

Merry Christmas, and a Happy New Year.

JANUARY 10, 1980

The Ontario Opportunity in Europe

AN ADDRESS BY W. Ross DeGeer,
AGENT GENERAL FOR ONTARIO
IN THE UNITED KINGDOM

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: Our guest of honour today is W. Ross DeGeer, Agent General for Ontario in the United Kingdom.

While the idea of hosting our Agent General was seen by all the members of the Empire Club as a good one, it should be noted that the timing of his visit has caused consternation in some quarters. Before his present incarnation as a representative of government in a foreign capital Mr. DeGeer was known, and some might even say feared, as one of the most skillful political organizers and strategists Canada has ever produced. As the chief designer and then as the principal operator of the Big Blue Machine, Ross DeGeer's return in the midst of a winter General Election has caused some skeptics to wonder if his visit here today isn't merely a guise that has allowed him to enter the country and join the campaign unnoticed. If any of you share that suspicion I can assure you that the invitation to Mr. DeGeer was made in April of last year and accepted at the same time.

Ross DeGeer is an ideal choice for our first speaker of 1980. At the beginning of the year, and at the beginning of a new decade, when we are all still filled with new resolve, it will be an inspiration for us to have the opportunity to listen to a man whom our jargon describes as a "local boy who made good."

A native of Toronto, Mr. DeGeer has been successively and sometimes concurrently a successful investment dealer, President of the Toronto Junior Board of Trade, President of the Albany Club, Executive Director of the Ontario Progressive Conservative Party and Principal Secretary to Premier William Davis. Today, of course, he occupies the prestigious post of Agent General for Ontario in the United Kingdom.

It has been a discouraging verity for Canadians of all walks of life, other than professional hockey players, that if a man is to be held in the highest esteem in his community he must first win a reputation in a foreign country. By this standard Ross DeGeer is an outstanding success.

He took up his present position on August 1, 1978, and in the eighteen months since then he has established himself as an informed spokesman for the Government of Ontario in Britain and on the European continent as well. He has also won acclaim at home in Ontario among the businesses and the cultural groups he represents so effectively abroad. It is our privilege to have him here today to present his impressions of "The Ontario Opportunity in Europe."

Ladies and gentlemen, please welcome to our podium W. Ross DeGeer, Agent General for Ontario in the United Kingdom.

MR. DEGEER:

Head table guests, Consul-General, Ministers, Members of the Legislature, friends (and especially my daughter), it is a great delight to be here. I wonder if anybody would mind if we just stopped right now, after that marvellous introduction. Thank you very much, Mr. President.

Let me begin by saying that it is delightful to hear "O Canada" sung with such great gusto again. As you can imagine, it is not sung very often in Britain. I'm not even certain that "God Save the Queen" is sung with such enthusiasm at Wembley.

Mr. President, I had anticipated that (judging from past experience of Toronto in January) I would be up to my ankles in slush, sleet and snow and that I would be able to tell you that last week my wife and I walked in St. James Park and saw the forsythia starting. Perhaps that strikes a little envy in you, or you could consider it an invitation to come and visit us in London. But what I got was just slightly nippy weather and bright sunshine — and that is one commodity that is very rare in London.

It is nice to come home and see so many friends at this historic Empire Club, of which I was briefly a Director. Scott Young and Margaret Hogan have ably captured its glorious past. The book dealt very well with the history of the club, its foundations and raison d'être and it struck me when reading it that the reasons for establishing the club were, in some ways at least, not dissimilar for the establishment of Ontario House originally, even though in reverse. Some of you may not know that Ontario House has been established in the United Kingdom since 1869, although Upper Canada, as it then was, had an agent in London as early as 1792 and, with only a slight blip in the chart during the second world war, we have been there ever since.

In those days, immigration was the prime objective and, while that is still one of our areas of endeavour (in highly selected professions), our principle responsibility is now in the area of trade and industrial development and it is in this context that I wish to talk to you today — the Ontario opportunity in Europe.

W. Ross DeGeer,
Agent General for Ontario
in the United Kingdom

At a time when all the pundits are predicting a limited or no-growth period and, at a time when we in Ontario are going to have to fight a little harder for that investment dollar, it seemed to me that it might be useful if I took this occasion to set out some tentative conclusions about the opportunity for Ontario businessmen in and with Europe. These are some ideas

I have formed after eighteen months as your Agent General in London where I have a number of officers responsible for developing trade and investment projects for Ontario with Europeans.

Of course, I could equally well have titled this statement, "The European Opportunity in Ontario," because the one opportunity is the obverse of the other. Ontario is, and no doubt will be, an important market for Europe. Europeans will want to retain and advance their investment and their trade here, but to do so, on a realistic and long-term basis, they will have to ensure that there are reasonable opportunities for us to develop a healthy economic relationship with them. I would like, therefore, to note some of the factors at work which affect our relationship and try to draw some conclusions.

First, it is important for us to realize, to take properly into account, the fact that in the last decade and for the near and middle-term future, Europeans will be remarkably preoccupied with the relationships between themselves. They will be very much less interested in how they relate to the rest of the world. Since the 1950s western European countries have dedicated their political energies to putting in place a set of new economic relationships — primarily trading relationships — to form the base of a new western European system.

It is worth recalling that Europeans debated whether their interests would be best served by a broad "free trade area" in which trade barriers between them would be removed or reduced, or at least regulated in common, while each would maintain its own regime vis-à-vis third countries. In the end, six countries elected to form a closer arrangement, a customs union with a common policy for agriculture. The rest of Europe then had to concentrate on how to relate to the new and powerful community of six. That led to the creation of an industrial free trade area which in turn — because that was invented only as an interim arrangement — led to the negotiation of a European community of nine in 1973.

Around this evolving entity — if it is that — there have developed a great variety of special arrangements. There are industrial free trade arrangements with Switzerland, Sweden, Austria and Norway. There are special "association" or other preferential arrangements with other European countries, with countries of the Mediterranean basin, and special fixed period aid and trade treaties with a substantial number of developing countries in the Pacific area, in Africa and in the Caribbean. What we now have is a powerful European-centred system — the Community of nine being in the centre and a great number of other countries with various special trade relationships with the nine ranged on the periphery. This means that for most European businessmen the main trading opportunities are within — not outside — their system. Only fifteen per cent of exports from countries of the nine go to countries that do not have some special relationship — such as Japan, eastern Europe, the United States and Canada.

Further, in the next five to ten years, the Europe of nine will become the Europe of twelve — as the Community adjusts itself to the participation in Community decisions of Greece, Portugal and Spain. The adaptation required by these three new countries, who will be joining in the Customs Union, in the agricultural system and playing their parts in the Community institutions, will be profound. It is probable that the Community will become rather more inflexible, rather more slow-moving in reaching decisions and less willing to take into account the legitimate concerns of others.

It has been said that the paradox of the Community is that inside it looks inefficient, bureaucratic and slow-moving — certainly many people in London seem to see the Brussels machine in that way — but that from the outside it seems rather rigid and unaccommodating. I have heard the word "tyrannical" used in this context. Adding these new member countries may well reinforce these tendencies. Certainly it will not make it easier for Canadians to develop productive working relationships in Europe.

How will businessmen of this developing Europe see Canada? No doubt, they will continue to consider us one of their more secure, more stable sources of raw materials. When the industrialized countries move out of the present period of slow growth and when we inevitably enter another period of investment in resource development and processing, Europeans will be looking with increased interest at material sources as nearby, as secure and as stable as Canada.

For this reason, Europeans are not likely to overlook Canada. I suppose we should accept this as part of the necessary foundation for a healthy trading relationship across the North Atlantic. However, it is not enough. We in Canada and particularly here in Ontario, the industrial heart of Canada, will want a more mature economic relationship. We will want to develop European markets for more advanced Canadian products and we will want Europeans to develop investment projects here involving more than real estate or resource development.

Europeans should realize that this part of Canada is particularly well placed for production aimed at the whole North American market. Ontario should be seen as more than a base for manufacturing for the Canadian market. It will be, in the eighties and nineties, a base for serving markets in the United States as well.

It is, of course, for businessmen to make this happen. Government can negotiate the framework of rules and can help make contacts, can use its good offices, but essentially trade and investment are for the businessman, not for governments, whether they be in Ottawa, in Toronto, in London or in Brussels.

I do not want to lecture businessmen, but I do have some suggestions about how we can develop a healthier trade and economic relationship with the new Europe.

First, I am struck by the fact that to develop trade from Canada into Europe takes more planning, more concern for the long term, than trade does here in North America. There are not likely to be quick results, quick sales and ready product acceptance. Exporters to Europe have to take the position that they are after a permanent stake in Europe and they have to concentrate on the long-haul.

A second point I want to emphasize is that trade with Europe is not just an enterprise for big firms. There is plenty of scope for small and medium-sized Canadian firms who are specialized, who have particular competence, to get into and stay in the European market. I am struck by the number of Ontario firms who have concentrated on the development of very particular products: for example, I.P. Sharp Associates, General Signal Appliances (IONA), G.H. Wood, Sheerness Steel (CO-Steel International), Tonka Toys, Bunn-o-matic in McDonalds. All of these and many more find there is a market in Europe.

It is these small and medium-sized enterprises who most need our government facilities to help them get started in Europe. They sometimes need our help in knowing whether they should make contact with the Community institutions in Brussels, or whether they need to work with the government agencies in one or more member states. They need advice as to who are the likely European firms they should deal with. We at Ontario House in London have been organizing ourselves to try to provide this kind of service, working, of course, in close co-operation with the federal government Trade Commissioner staff in London and elsewhere in Europe.

One of the worrying features of the trade and investment relationship with Europe is that a wide range of potential manufactured exports from Canada, and particularly from Ontario, are of products where the potential European buyers are in the government or government-controlled sector. We Canadians have developed considerable competence in a range of specialized products in the urban transportation, telecommunications, energy generation and transmission sectors. The markets for these products in Europe are government procurement markets. European producers are protected by tariffs and they have the advantage of being on the ground. Beyond that, they are protected by buy-national or buy-EEC policies. This gives European producers almost infinite protection in their domestic markets against Canadian competition. One result is that it forces Canadians either to invest in production inside the Community, rather than exporting Canadian goods, or to enter into licensing agreements with European firms.

From the point of view of the individual business corporation, such arrangements may be profitable, and it is not for government to say that they are not appropriate choices. However, it is worrying if Europeans use their government procurement rules or their product specifications to force Canadian firms to participate in this sector of the market only by selling their technology rather than allowing them an opportunity to supply the market with Canadian-made goods. Clearly, we have to be able to export a portion of our technology as goods, rather than as licensing arrangements, if we are going to provide a secure base for a developing technology — and the jobs in Canada which our developing technology should create.

To be rather more blunt, it wouldn't really be a disservice to the British or the French, for example, if they had Canadian-made telephone systems that worked as well as our telephones do here. It is encouraging, therefore, to hear that the British telecommunications authorities are said to be seriously considering giving a contract to a Canadian firm for Canadian-made Telex equipment.

Certain competitors in the U.K. seem to regard this proposal as immoral and unfair. What I see as unfair, and even more important, as unrealistic, is to assume that European firms can continue indefinitely to compete in our Canadian markets where they can afford to be highly competitive, operating as they do from the shelter of a totally protected home market. This is not really a viable basis for a trading relationship. It would be better if it were altered by some opening of the European procurement market rather than a closing off of markets here in North America.

I emphasize this point because I am very much aware of how important a portion of Ontario manufacturing is in this procurement sector, and because it seems fairly clear that if we are ever to develop a healthy trade in manufactured products with Europe, it requires better access to government-controlled markets there.

Looked at from the Community perspective, Canada, and certainly Ontario, is a major market for a wide range of capital and consumer goods. I don't think Europeans should be satisfied by selling us only cognac, whisky, perfume and fashion goods. Canada is a growing and long-term market. I reject categorically the attitude that is too common in Britain — that the Canadian market is too hard to compete in, particularly because of our proximity to American producers. Certainly the Japanese have demonstrated that offshore exporters can compete in Canada. A part of their success, of course, was in traditional areas of European export to Canada, such as worsted fabrics, but much of it has been in areas where American firms had been strongly established in our market.

As I have already emphasized, European producers should consider whether, as their market develops here, they may wish to build production facilities here in Ontario, either as new Canadian firms or as joint ventures.

I am sure Europeans visiting Ontario will be struck by the encouraging contrast between conditions here and what they have come to accept as normal in Europe. You are all very conscious of inflation, of rising Canadian costs and prices. But what strikes me is how low Canadian consumer prices are for food, for clothing, for furniture and consumer durables, how competitive our retail distribution system is, how efficient our urban transportation system is, and how our telephone system really works. Our post office service is at least no worse than the British and French services. Our labour force is in the main highly productive by European standards, not to mention British standards. These factors, and the ease and low cost with which factories can be acquired or built and plants installed in Canada, as well as our reasonable energy costs, are considerations which European firms wanting to expand in North America are bound to weigh very highly, and they are all in our favour.

In a speech delivered in Brussels in September, Premier Davis concluded by saying: "I hasten to add that I am sure the governments of Europe accept the legitimacy of our hopes in this regard. Nevertheless, I feel some obligation to emphasize just how serious these concerns are to the future of our economy. We are not suggesting that basic economic forces be distorted in our favour. We are not looking for a more managed trade relationship . . . in fact, quite to the contrary. Canadian entrepreneurs, of course, have a lot to learn: that's inescapable in the market place, everywhere, at any time. However, we are not infants to the world of international commerce. Our aim is not an equality of outcomes, but an equality of opportunities."

The thanks of the club were expressed to Mr. DeGeer by Peter Hermant, a Past President of The Empire Club of Canada.

JANUARY 17, 1980

The Challenge of Canadian Federalism in the 1980s

AN ADDRESS BY The Honourable Jean Chrétien,
OPPOSITION CRITIC FOR
FEDERAL-PROVINCIAL RELATIONS

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: When our invitation was first extended to the Honourable Jean Chrétien and accepted by him it was in the belief, held by many, that this luncheon might be a part of a campaign by him for the leadership of the Liberal Party of Canada. However, since his visit was scheduled events in Ottawa have intervened (or if one believes columnist Richard Gwyn, Jim Coutts and Allan MacEachen have intervened) to change the kind of contest in which our guest of honour is presently engaged. Nonetheless, for members of the Empire Club, and for audiences in all parts of Canada, Mr. Chrétien would be a welcome guest no matter what the context of his visit. After seventeen years in the House of Commons and through his ministerial responsibilities in four different portfolios he has become a well known and widely respected parliamentarian and it is our pleasure to have him with us today.

This meeting, with a representative of the Liberal Party, is the first in the Empire Club's 1980 election trilogy. We will be hearing also from the New Democratic Party on January 31 when its leader Ed Broadbent will be our speaker and from the Progressive Conservatives on February 14 when we will be hosting Prime Minister Clark. It promises to be a lively series that will provide our members with an opportunity to hear spokesmen for all three parties.

Apparently current public opinion polls indicate that Torontonians regard the election as a Hobson's choice — should they elect Mr. Broadbent's New Democrats and experiment with large S Socialism, should they re-elect the Progressive Conservatives and Mr. Clark whose baggage includes an energy policy that Premier Davis has described as an assault on Ontario, or should Torontonians who recently recalled Punch Imlach now do the same with Pierre Trudeau.

Whoever wins the election on February 18, one thing is very clear. That is that unless there is a startling upset in the Quebec Riding of St. Maurice, Jean Chrétien will be a major figure in the next parliament of Canada, either as a senior minister or as a prominent opposition spokesman and, at some point in the future, almost certainly as a contender for the leadership of his party.

Today he is here to speak to us on the topic "The Challenge of Federalism in the 1980s." Constitutional reform that will hold Canada together is a topic on which we might expect Mr. Chrétien to have an important message not only because, and not even particularly because, he is opposition critic for federal-provincial relations, but more so because it is one for which he has had a passion through all the years he has been in the House of Commons.

In the seemingly endless, sometimes acrimonious and always complex search for constitutional reforms that will satisfy the competing goals of different regions in Canada, one is reminded of the pessimistic words of the French essayist Montaigne who observed:

John A. MacNaughton, President, The Empire Club of Canada and the Honourable Jean Chrétien, Opposition Critic for Federal-Provincial Relations.

> Le monde est inepte à se guérir. Il est si impatient de ce qui le presse, qu'on ne vise que s'en défaire, sans regarder à quel prix. Le bien ne succède pas nécessairement au mal. Un autre mal lui peut succéder, et pire.

For Canadians the pessimism of Montaigne is relieved by the realization that, into the constitutional debate in this country between the thesis of the status quo and the antithesis of separation, men and women of good will in all parties are searching for the synthesis of a renewed and reformed Canadian federalism. One such person is the Honourable Jean Chrétien whom it is our privilege to host today. I invite you to welcome him to our podium now.

MR. CHRÉTIEN:

Ladies and gentlemen: It's a great pleasure for me to speak before a serious audience on a very serious topic. I say this because I think the present campaign should dwell on issues instead of degenerating into a comparison of personalities.

Those of you who came to this luncheon to hear me speak about federalism may be surprised when I start talking about oil pricing and the Tory budget. If you'll just be patient, I promise you the connection will soon become clear.

You know, I don't allow myself to think about Tory economic policy too often because I'm afraid of getting ulcers. It was very difficult for me, when I was Minister of Finance and particularly during the last election, to hear John Crosbie and Joe Clark talk about their plans for the Canadian economy. They made spectacular promises, including lower interest rates and a higher Canadian dollar. They promised a two billion dollar personal tax cut, a three billion dollar mortgage tax deduction and something called a stimulative deficit.

We Liberals couldn't promise anything like that. Within my own party, there were some people who wanted us to match the Tories' platform but I said "No, the country can't afford it." I knew we were losing votes because we couldn't offer mortgage deductibility, but I took the responsible course because the deficit was already uncomfortably high. I knew as well that the mortgage tax cut would not stimulate house construction because the rate of family formation is falling steadily: the demand for new housing just isn't there any more. I also refused to single out current home-owners for preferential tax relief if it meant the other taxpayers of Canada would have to foot the bill.

So we held firm and we lost. Losing isn't fun, but I still have the satisfaction of knowing that I made no compromises with my conscience.

For the Conservatives, on the other hand, the compromises were just beginning. Throughout the summer — a summer when Canada was ruled by Orders-in-Council and Governor General's Warrants — the Conservatives abandoned their promises one by one. The final disappointment for us Liberals came on December 11 when, defiantly renouncing the entire thrust of their campaign platform, the Conservatives tabled a budget which seemed deliberately planned to stifle growth, increase unemployment and severely aggravate inflation.

Some critics and columnists praised John Crosbie's budget for being "tough," and the Minister made a great song and dance about the need to be realistic. That was not the reason it was defeated. Every responsible member of the House would have supported the Conservatives' economic initiatives if they had offered a tough, realistic approach to Canada's pressing economic difficulties. But they did not; the Conservatives gave us a budget that was tough only on people, not on problems.

For 1980, my successor as Minister of Finance was planning double-digit inflation, reaching a possible 13 per cent year-over-year increase by December 1980, together with an increase in unemployment to 8.3 per cent and almost zero economic growth. At a time when the Canadian economy is threatened by recession, the Conservatives' policy seems calculated to assure that downturn.

Well, you may say, at least they took a longer view of the economy's needs. They resisted the urge to tinker with the economy, to do some expensive fine-tuning at the cost of a higher deficit.

In reality, the belt-tightening Tory budget does *nothing* to slow the expansion of government spending and the growth of the public debt. Expenditures would grow ten per cent a year between now and 1984 —

faster, in fact, than they did in the last two years of the Liberal government. By 1984, spending will have increased by fifty per cent or *twenty-four billion dollars*. The cost of debt servicing will double, reaching *fourteen billion dollars* a year in 1983-84.

The actual budgetary deficit will still be nine billion dollars in that year. When John Crosbie speaks of reducing the "deficit" to four or five billion dollars in 1983-84, he's really referring to the amount the government has to go out and borrow. The government will be borrowing less largely because of a four billion dollar surplus of receipts over disbursements on the government's pension and social security account. In other words, the government would write an I.O.U. to its employee pension fund and apply the money toward its current spending commitments.

Of course I was disappointed by the Conservatives' failure to bring the deficit under control *despite* massively increased revenue. The greater disappointment, however, was the energy-pricing policy announced in the budget.

Before I go any further, let me say that my party fully accepts that the days of cheap and plentiful energy are now over. As our current reserves are depleted, it will be increasingly expensive to locate and bring on stream the necessary new supplies — because those new supplies must be brought from distant places like the Beaufort Sea and because their extraction will require costly new recovery techniques. My party also recognizes that subsidizing energy imports in areas not yet served by domestic production could cripple the federal treasury if the Canadian price does not rise in line with world prices.

We accept that prices must rise, but I would suggest that three conditions should govern our pricing formula. First, the amount of the increase should correspond to the needs of the industry. We want a made-in-Canada price, one which reflects the cost of ensuring our energy self-sufficiency, not a price arbitrarily set by a cartel of producers in a far-off part of the world. Second, price increases must be phased in so that they do not cause a gratuitous disruption of the economies of consuming provinces. Finally, the federal government must get a share of energy revenues adequate to discharge its own commitments in the energy field and to cushion the impact on the national economy.

In other words, energy pricing should be a function of national needs and the needs of the industry. This is the exact reverse of the Conservatives' policy. The Conservatives turned pricing policy into a tool for achieving other political goals — namely, satisfying Alberta's demands for greater revenues and paying for the ruinous mortgage tax credit.

Between 1980 and 1983, the proposed price increase and excise tax would yield ninety billion dollars in net revenues over and above production costs. Of this, forty billion would go free-and-clear to the producing provinces, not for energy development but for general provincial revenues, including a swelling heritage fund. Another thirty-three billion in net profits would go to the oil and gas industry, an industry whose stockpile of profits is already being directed into the acquisition of unrelated enterprises. Only the final seventeen billion, including the proceeds of an excise tax which hits every productive sector of our economy, would go to the federal government. Ten per cent of that — only ten per cent — would be used to fund a national energy bank. Another modest share would go for energy rebates to consumers, businessmen and utilities. But the largest slice of the pie will go into general revenues to offset the cost of the mortgage tax credit. And there'll be nothing left to counter the slower growth, higher inflation and higher unemployment caused by skyrocketing energy costs.

Is this the sort of economic policy our national government should be delivering — a policy which

Honourable
Jean Chrétien,
Opposition Critic for
Federal-Provincial
Relations

allocates economic benefits and burdens according to accidents of geography and geology? Is it appropriate, moreover, in a time of sluggish external demand, rising prices and high unemployment to make *national* needs subservient to the priorities of our wealthiest provinces?

The federal government has an obligation to ensure that there are not two Canadas — one rich and one poor. If we cannot embrace this goal of equality of opportunity, then we must ask what is the purpose of Canada.

Throughout our history, ladies and gentlemen, the central government has used its powers to redistribute among *all* Canadians the benefits enjoyed by our more fortunate regions and our more fortunate citizens. Only through the redistributive mechanism have we been able to guarantee that the citizens of our neediest provinces have access to jobs, decent living standards and a basic level of social services.

To accomplish that task, the federal government needs access to adequate revenues. Already, the federal government's ability to stimulate the economy and protect our neediest citizens has been substantially eroded by the delegation of tax room to the provinces and the establishment of onerous fixed commitments for transfers to governments and individuals.

In 1950, sixty-four per cent of government revenues in Canada accrued to the federal government and thirty-six per cent to junior governments. In 1978, the federal share had fallen to forty-six per cent and the provincial and municipal share had increased to fifty-four per cent.

In 1950, the federal government's share of total government expenditures was fifty-two per cent. In 1978, junior governments' share of total government outlays reached sixty per cent and the federal proportion was reduced to only forty per cent. And of its remaining spending room the federal government has irrevocably committed fifty per cent to fixed transfers. Yet out of the scant resources which remain, the government has been expected to maintain demand, bolster personal incomes and buoy up an economy hard-hit by rising energy prices.

My government followed a deliberate policy of reducing taxes — to leave both business and individuals a greater share of their own incomes to spend and invest. We saw that as the best way to foster economic growth and create jobs and, by any international comparison, Canada has been remarkably successful in defending itself against the shock of a turbulent world economy.

Of course, this line of action took a heavy toll on the federal treasury. Deprived of adequate manoeuvring room, we could discharge our responsibilities only through deficits and debt. What made our fiscal predicament so cruelly ironic was that, while the federal government was running large deficits, overall provincial surpluses were growing, largely due to increased resource revenue. Mr. Crosbie himself has stated that in 1982, total provincial *surpluses* will exactly balance the current federal *deficit*.

In the past, critics have seen the federal deficit as evidence of internal economic mismanagement. It is now apparent that the deficit is both a cyclical and a *structural* problem — a problem we cannot afford to ignore. The federal government can no longer hope to subsidize the poorer provincial economies through deficit financing while resource-rich provinces pile up huge surpluses. Already the Economic Council of Canada has expressed grave concern over this issue.

In part, the federal government has been the author of its own misfortunes. We have been too generous in decentralizing fiscal power to all ten provinces. But given the existing decentralization of fiscal weight, the claims of producing provinces to increased resource revenues will greatly aggravate the federal financial dilemma. You must remember that the federal burden of unemployment insurance payments, equalization payments and other transfers is often increased *precisely* by the extraction resource revenues from the consuming provinces. By our equalization formula, for example, every $1 increase in the price of a barrel of Alberta oil costs the federal government another eighty million dollars in transfers to energy-poor provinces.

In their recent budget, the Conservative government might have rectified the federal-provincial fiscal imbalance by pressing for more moderate energy-price increases. Or they could have insisted on a share of new resource revenues commensurate with federal responsibilities toward the national economy. Instead, they gave Mr. Lougheed what he wanted and then treated the federal revenue squeeze as a purely internal problem, to be countered by additional federal tax levies. In the process, the economies of the consuming provinces were hung out to dry.

If the Crosbie budget passes, the implications for federalism will be tremendous. With the federal government reduced to impotence by existing commitments and inadequate revenues, the disparities between rich and poor regions will grow larger. With the progressive Balkanization of our economy, the strains on an already divided nation can only increase.

Ladies and gentlemen, this is not the future I want for my country. We have a tradition of sharing in this land — a tradition which dictates that all regions and all individuals should share in Canada's successes and hardships alike.

In the past, western Canada has benefited enormously from the federal commitment to that tradition. For years, Ontario willingly paid higher prices for western oil when the fledgling oil industry was struggling to establish itself in the face of lower international prices and U.S. import embargos. Of course, the industry could not have survived at all if it had not been generously subsidized by special allowances and write-offs in the federal tax system. And it was federal sponsorship of the Trans-Canada pipeline, also subsidized by Ontario taxpayers, which helped develop essential markets for Alberta's natural gas.

Sharing is a proud tradition of ours, but it is one which Joe Clark and his government wish to abandon. At the outset of this campaign, Clark deplored the erosion of the federal fiscal capacity, yet he pledges to re-introduce a budget which greatly aggravates that very problem. He is furthermore committed to cutting off your access to northern and offshore resources.

Let me close with a quote from a man who holds a different view of federalism from Joe Clark:

> There is a view being advanced that Canada is a community of communities or a nation of prov-

> inces, and that our country is made stronger, not by building the whole but by strengthening the separate parts. In some measure, that may in fact be true so long as province-building does not replace nation-building as the most ambitious goal of Canadians. There the Government of Canada must stand not merely as an arbiter of community differences, but the guardian of the nation as a whole.

The author of that is a man who has every reason to wish for the re-election of my party: the Conservative Premier of Ontario, Mr. Bill Davis.

Ladies and gentlemen, Bill Davis has summed up the challenge of federalism in the new decade: will it be a decade of *province*-building or a decade of *nation*-building? Will we remain Canadians or will national loyalties and a national spirit be replaced by parochial pride? Will we use a strong federal government as a mechanism for sharing on a national scale or will we let the poorer partners in Confederation shrivel into insignificance?

Of course, Alberta must receive a fair return for its diminishing natural resources. Similarly, citizens of coastal provinces and the far north should have the first call on revenues from the sale of their energy. We cannot expect the federation to function well if we ignore the claims of the constituent elements. But let us not forget that there are compelling *national* interests which must be maintained if our federation is to flourish and if the federal government is to participate in reaching that goal.

The thanks of the club were expressed to Mr. Chrétien by Vladan Milic, a Director of The Empire Club of Canada.

JANUARY 24, 1980

On a Working Hypothesis

AN ADDRESS BY The Honourable René Lévesque,
PRIME MINISTER OF QUEBEC

JOINT MEETING The Empire Club of Canada
The Canadian Club of Toronto

CHAIRMAN John A. MacNaughton, President,
The Empire Club of Canada

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada and The Canadian Club of Toronto: The novelist Somerset Maugham was a genius of table talk. In his fiction a frequently and a charmingly utilized setting for an exchange of ideas and sentiments was a dining room in a home in the English countryside, in a gracious hotel on the Mediterranean coast of France or in a rundown café on the South Pacific. Whatever the locale, Somerset Maugham capitalized on the fact that when men and women sit down to break bread together an amity and usually an openness, or at a minimum an inquisitiveness, develop that allow all present to benefit from the communication that takes place.

A luncheon meeting, such as the one arranged today to host the Honourable René Lévesque, Prime Minister of the Government of Quebec, builds on the observation exploited by Maugham in his novels that food and friendship and intellectual curiosity compliment one another.

For the two clubs joined here today as co-hosts of this event, the formula of combining a midday meal with an address by a prominent individual has worked for many years as a constructive vehicle for the development and promotion of understanding of new ideas and new information.

One of Mr. Lévesque's predecessors, Premier Adelard Godbout, put it succinctly in his address to the Empire Club in 1940 when he began with the following thoughts:

> Ce n'est pas la première fois que la voix française de Québec se fait entendre au coeur même du Canada anglais. Vous avez accueilli les orateurs avec une bienveillance marquée. Il est résulté de ces rencontres, de ces échanges d'idées qui suivent toujours une allocution, lorsque discoureur et auditoire sont des amis, une intelligence plus vive de l'histoire, des caractères et des moeurs du Canada français, et, partant, une sympathie plus directe et plus agissante.
>
> De tel contacts sont précieux. Il ne faut point perdre l'occasion de les renouveler.

Premier Lévesque is here to speak about his proposals for sovereignty association. No doubt he is under no illusions as to how a large portion of the individuals gathered here would vote if they had an opportunity to express themselves in the upcoming referendum. A Quebec nationalist looking for an endorsement of sovereignty association would be unlikely to choose organizations with names like the Empire Club and the Canadian Club as the ones to be most responsive to his views.

Nonetheless our guest of honour can be confident that his audience today respects him for the forthright manner in which he presents his arguments and admires him for the determination of his advocacy.

Peter Desbarats, in his book *René, A Canadian in Search of a Country*, wrote the following words:

> English Canadians also hear Lévesque. There is enough dissatisfaction with their own national experience, enough yearning for a more complete future, to give his words resonance in other provinces. From a distance, English Canadians can feel the attraction of his ideas and the force of his personality.

Two years ago, Hugh MacLennan, author in 1945 of *Two Solitudes*, made this observation in a Brockington Lecture to Queen's University:

> Lévesque succeeded in doing something no other Canadian politician has ever done. A nation which has always been polarized psychologically is now, thanks to him, polarized politically. He has managed to wake up English Canadians to a few realities about this nation of ours.

Ladies and gentlemen, as we all know, Mr. Lévesque is an advocate of a new political structure for Canada. He is in Toronto today, and here particularly at this gathering, as part of his campaign to present his proposals for sovereignty association.

We are here, Mr. Lévesque, not to collectively pass judgment on your proposals, but individually in the knowledge that the referendum to be held shortly in Quebec is an important event in the history of our country. As men and women with an intense interest in public affairs we come with a desire not only to learn the details of your proposed structural changes, but also to appreciate better the hopes and aspirations of our compatriots in Quebec.

Ladies and gentlemen, we have been honoured by Premier Lévesque's selection of our clubs as the audience for his major referendum campaign statement outside of Quebec. It is my pleasure to invite him to speak to us on the topic "On a Working Hypothesis."

MR. LÉVESQUE:

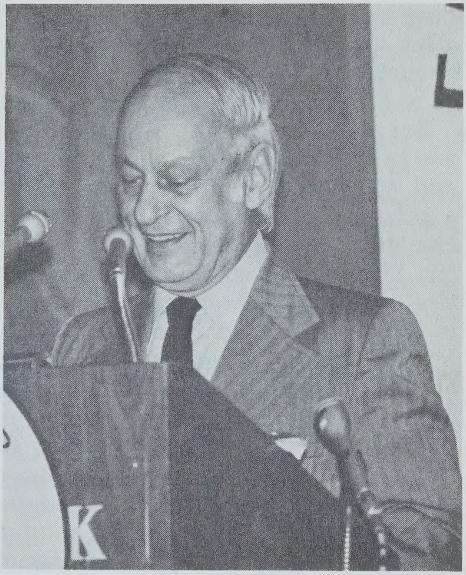
Mes chers amis, ladies and gentlemen: First of all, let me thank all of you for joining together with us, to break bread in such an intimate setting for table talk, such as Somerset Maugham wrote about.

Very simply, but very sincerely, I want to thank you for inviting me to this joint meeting of the Empire and Canadian clubs — in spite of your graciously hopeless remarks about the results, which were not corrected by Hugh MacLennan.

I was led to understand that traditionally your two clubs are quite separate, each holding on to its full sovereignty. And yet sometimes it is found possible to merge your sovereign entities to such contracts of association. I know this probably will not be the most fruitful of such occasions, but let me hope, at least, that it will not sour you on such a promising, modern, up-to-date trend.

I'd like, at the very beginning, warmly to join as a former colleague and, up to a point, a former disciple, in your welcome back to John Fisher. Then briefly, I'd like to thank you also for inviting me specifically to Toronto, and in January! January is such a quiet, relaxed month. That's why I accepted. I was sure it wouldn't be like the last time, which was in May, right in the middle of a *real* election campaign. But in a well-organized political system such as ours, late January and February are bound to be a quiet, relaxed time, when nothing much of consequence can happen — except maybe the Quebec Carnival, to which you are all invited, by the way.

Don't you agree that this is exactly the impression we all get from reading the papers and watching TV



Honourable
René Lévesque,
Prime Minister
of Quebec

during the current "off season?" In fact, I'd say this is rather a time of year for the reflective approach; I'd even say philosophical, up to a point. Philosophy is a vocation that the odd public man has been known to practise, even brilliantly, in the not so distant past. It seems to be a bit out of fashion right now, but you never know — the call may come again. And the throne from which such profound thinking has to descend, I am told, might very well emerge in Toronto. Now, I wouldn't attempt to fill such a void. I'm certainly not looking for a throne. Not today!

But in all modesty, and just to reawaken your appetites for philosophy a bit, I'd like to reflect for a few moments on the notion and reality of change, which has become so pervasive that nobody can get away from it. We just saw the uncertain seventies slipping away, after the many shocks of the sixties. And after so many years of turmoil, most of us, I am sure, thought and hoped that we would get a certain amount of well deserved stability during this new decade.

But here we are already, with 1980 not quite four weeks old, and Ontario again has the balance of power and will perhaps find new ways of using it. And then, a referendum in Quebec, which might very well also change a few things. And a presidential election in the United States, which is largely, until further notice, run from Tehran and Moscow. And Indira Ghandi is back. This could be a year for resuscitations. And Mayor Drapeau, I am told, is already thinking about an instant, highly low-cost Olympic set-up before the end of the winter.

In a nutshell, here we go again. The coming years, even more than ones before, are going to impose more and more significant, radical, hard-to-face changes and challenges, social, economic and political, world-wide, continent-wide and country-wide.

The initial reaction to such a perspective is, as always and everywhere, like the old reporters A-B-C. Now what? And why? And what for? How? For whom? That's basically healthy except when you start believing, against all evidence, that the problem will solve itself and simply go away through the simple magic of another vote, perhaps another budget, and certainly another deficit.

There is also another extreme that we also have to keep away from, and that is diving into change for the simple pleasure of change, for the fun of moving things around without too much thought of cost or consequences.

In between, when political and/or economic change is called for and well planned, all who are concerned and who have the courage to face up to it are likely to gain. If change is called for and refused, everyone eventually will lose.

In such a world as the one we are in, and with all the stirring and the shaking that we have seen in our own institutions, especially over the last generation, it isn't exactly a sacrifice to ask ourselves, "Do we, by any chance, also need basic change in our political set-up after 113 years?" I know how easy it is to be for change in Iran or Chile or other faraway places, as remote as possible. But it is always difficult to accept when we ourselves are affected, and that is precisely why, when the question touches home base, change is a supreme test of a people's, or a society's maturity, of its clear mindedness.

I propose that the answer to the question, as far as we are concerned on both sides in Canada, obviously is "yes." I am talking about two sides. There are many other sides, but there are two very deeply basic sides in Canada. And everybody agrees verbally that we do need significant, far-reaching, well planned and well understood political change.

The reason, the wherefore, essentially lies in Quebec, and more specifically, in French Quebec. Because like it or not, there is in Canada one of two very distinct societies, call it what you wish — a nation, a culture, a founding people — whose full development and whose ever-rising if not always clearly recognized aspirations are largely hampered by the federal system.

I am not at all pretending that in the beginning and for some time after this arrangement all told did not serve Quebec's basic interests as well as others. But the fact remains that our survival, as we used to say, and our partial development in many fields, had mostly little or nothing to do with federalism, but much more with the willingness of our people to hold on for dear life to their identity and to those collective institutions they were allowed to build and maintain, mostly at great cost, and more often than not in spite of pressures from the central government and its know-all technocracy.

That now has to make way for something else. I have to say it the way I see it. Those who cannot or will not see the inability of the federal formula to accommodate fully the emergence in Quebec of a modern, but still essentially distinct national society are, with due respect, authentic or make-believe ostriches. For that is the root of the problem and the reason for inevitable change. It can be delayed, but sometimes — like justice delayed — it costs a lot more. Fundamental, inevitable change is there, facing us.

It's all very well to pay lip service to la différence, and then to become clearly or subtly negative the moment it dares to assert itself, to hold forth vigorously about undeserved "special" privilege. That has been going on for some time, and we can all see where it took us. The simple fact is that a desire for privilege has nothing to do with the way we look to the future — and by "we" I mean what will be shown to be a majority in Quebec.

For instance, we don't think that we should try to impose on the rest of Canada new institutions and ways of doing things foreign to its political and other traditions or to its own aspirations. We certainly do not pretend that we deserve to be any better off than others, or pampered because we were here first or because our language and institutions in many ways are different — or even because "O Canada" does sound better in the original French. Neither does our distinctiveness blind us to many other differences, regional, provincial and even cultural, that also exist throughout English-speaking Canada. We know that Saskatchewan is not New Brunswick. We know that the western provinces also have legitimate grievances against Ottawa. We know that the Maritimes have not always had a fair shake, that (unbelievable but true) Ontario itself is a bit worried nowadays. Not only do we know all about that, we do not pretend that our grievances are in any way superior to others. In fact, I often believe that one of the main reasons why so much remains unsolved everywhere is the sort of predominance which has been obsessively given — mostly in words, never in actual decision — to the "Quebec problem."

There is a deep misunderstanding and rejection of the one central basic aspect of the problem and the only possible key to its solution. It has nothing to do with any kind of quest for privilege or absurd claim to being better than anybody else. It has to do with a deeply held, ever-growing desire for a new kind of relationship between two distinct peoples, a relationship based on the universally recognized principle of fundamental equality among nations. And not just the principle, but also its political application. I am confident that as of this coming spring it will become very clear that our people in Quebec will be content with no more and no less. There will be doubts and denials, caricature and distortion, a lot of wishful thinking, along with quite a lot of nervous Nellies in Quebec itself.

But facts are very hard-headed. And how this fact came about, this new consciousness of national maturity in Quebec, again has to do with change. It is part of our times and we are caught up in them. By realizing, rather belatedly after the Second World War, that it was called for, by accepting its necessity, and by implementing it rather successfully, the feeling and now the certainty is that we, as a closely knit and different cultural and national community, have finally come of age.

It was called, as you know, the Quiet Revolution. It flourished in the sixties, after germinating below ground ever since the Second World War. It brought first, as these things always do along with changes in attitudes and aspirations, an unprecedented explosion in artistic creativity. And with the pride and confidence in that there came an appetite for more, in other fields. So there was the revamping of education, of social programs, the launching of new collective instruments like the pension fund, the expansion of Hydro-Québec, and a gradual but constant increment in confidence and know-how.

To bring us closer to current history, how else could you explain that Quebec could survive so well and even prosper after a catastrophe such as our election in 1976? Not only to survive and prosper, but also to weather quite successfully another bout of substantial and far-reaching change. In that perspective we had made a number of major, specific promises — seven in all — during our election campaign. All of them were challenges. Most of them had been talked about for years, and often promised, but had never before been tackled.

In order, they were: first, to abolish secret electoral funds and to bring as much integrity as humanly possible to public administration; second, to reform the automobile insurance system; third, to extend health care services, especially for the young and the elderly; fourth, to increase government help to small and medium-sized business; fifth, to reform municipal financing; sixth, to preserve and develop our agricultural land; seventh, to increase housing programs in the perspective of finding a way to a full-fledged housing policy. In addition, we were committed to solve, once and for all, the recurring linguistic crisis, to do something about asbestos, our most strategic natural resource, and last but not least to hold a referendum on the constitutional future of Quebec.

After forty months as a government, we have met each and every one of those promises. There is still work to be done. There always will be, and the referendum will not take place until the coming spring. But on the whole, we have done precisely what we said we would. Of course, adjustments had to be made. Some idealism had to give way to some realities, but all the essentials are there.

There was also the typical initial reaction when change is faced. When first introduced, some of these measures resulted, quite naturally, in an outcry from the many quarters where long-standing comfortable positions were disturbed, or from those who thought themselves singled out for what they considered to be discriminatory treatment.

You have certainly heard about Bill 101 on language. That was the change which was received with the most hostility by business groups, both inside and outside Quebec, and by members of our own English-speaking community. But two years later, the C.D. Howe Research Institute, which cannot be suspected of Parti Québécois affiliation to say the least, just yesterday released the first scientific evaluation of Law 101 concerning its impact on business and the work place. Here's what they say in the conclusion of this study:

> We believe that some form of government intervention, in the form and substance it took in Laws 22 and 101, was necessary. (Bill 22 was the former Bourassa government's effort at legislation.) An analysis of the principles and measures of both laws has led us to conclude that in so far as the francization of the business firm is concerned, Law 101 is in many respects more reasonable and effective than Law 22, because it attempts to be universal and to pursue exclusively linguistic aims. Ambiguities such as "the francophone presence" are absent. Moreover, head offices and research centres are excluded, under some conditions, from the programs in Law 101 and are to be negotiated for these entities.

This piece of work, entitled "Canadian Business Response to the Legislation on Francization in the

Work Place for the C.D. Howe Institute" was co-authored by Yvon Alert and Roger Miller. By the way, for collectors of irrelevant detail, I may inform you that one of the authors, Mr. Alert, happens to be a member of the Quebec Liberal party's constitution commission which was recently in the news with a certain report on a rather uncertain future.

I can also remember that initially negative reaction, par for the course, greeted our no-fault automobile insurance system. They said it would never work, that premiums would shoot up sky high. "Just look at British Columbia." Well, we did look at British Columbia — after looking at Saskatchewan, and Michigan and Massachusetts and other states along the way. The Cassandras eventually piped down on that subject — and went on to holler about something else.

I must say that we're used to that, and rather well vaccinated by now. Way back in 1962, I remember when it was said insistently that Hydro-Québec could never succeed in the take-over and subsequent efficient management of the old power companies. For some unfathomable reason, dams built in French by Quebec engineers and workers would never stand the pressures. Wasn't it also a fact that the computer could hardly learn French? Since then, there has been Maniquadon and then James Bay, both in their time the biggest power projects in the western world.

Last, but not least, this growing competence is also visible not just in technology but in all economic affairs where it is now percolating like mad. I know that some of you may still think that Quebec is economically going down the drain. That comes mainly, I think (and with due respect to my old profession) from news treatment. News treatment is too often exclusively based on that old cliché of journalism that "good news is no news." Any time that cliché is married to an editor or a reporter who has a bit of prejudice it can play havoc with information. I'm sure that with the high standards prevailing in the Toronto area, there's not too much of that here!

But just to set the record straight, in a nutshell, it may be useful to say that recently, especially in 1978 and 1979, Quebec's economic results have been rather impressive, due most of all to the performance of our mostly home-grown producers in the private field, but also in some measure to the policies of our government, and certainly *not* to the policies emanating from Ottawa over the last year or so — nothing has emanated.

In 1979, for instance, 76,000 new jobs were created in the first ten months, 32,000 of them in the manufacturing sector. With appropriate modesty, I'd like to quote the *Financial Times* of last December 3, in case you missed it:

> It is a fact, for example, that the Quebec economy has grown faster than the Ontario economy in the past three years, since the election. Wages and salaries have advanced faster than in Ontario, as well as producing a rapid rise in the personal disposable income of the average Quebecker. Quebec's unemployment rate still runs ahead of Ontario, but the gap has been closed a little.

Needless to say, we are still not satisfied. Who is satisfied nowadays? But in summary, the last twenty years or so, including the last three, have been a continuous process of maturing for Quebec society, and along with some mistakes, rather incredible progress. Naturally, there has been a gradual buildup of normal self-confidence.

All of that, by contrast, has served also to dramatize the fact that during that same span of a whole generation most of our problems have related to our belonging to a federal framework. Certainly all major problems still remain unresolved.

To cite just a few brief examples. First, the general and overall impact of federal economic policies on Quebec. Study after study have come to conclusions that are monotonously similar. In science and research, in agriculture, in housing, in industrial promotion, federal policies have regularly had largely negative effects for Quebec. Take, for instance, transportation costs. To transport a ton of paper from Donnacona, Quebec to New York, a distance of 540 miles, costs about thirty-one dollars. Transportation cost for another ton of paper, more or less the same, from Thorold, Ontario to Chicago, about 500 miles, is fifteen dollars. That is half the cost. The difference is the result of transportation tariffs, and you know who sets them. Don't ever doubt that you have the balance of power.

For instance, again, there are billions of dollars and tens of thousands of jobs in the great range of some four hundred federal corporations and other federal public instruments spread around all over Canada. But substantially less than ten per cent of all their activities in any field have found their way to the province which still has twenty-seven per cent of the population and which pays its share of the freight.

Speaking of population, while the inequities I just mentioned and others are built into the economic way of doing things in the system as it is, census after census keeps repeating that as a minority people our numbers are becoming less significant, especially in relative political clout. The election of May 1979 made that brutally clear. I don't think that even if we put our federal eggs even more in the same basket this time around that it will enhance our bargaining power by one bit.

I could go on and on repeating the old tired corrections to a system which from the point of view of the national society we constitute in Quebec too often only add insult to injury. Sufficient to say that as far as such corrections are concerned, no progress of any significance has been made concretely over the years. In the same federal context, with the prevailing mood outside Quebec, none is to be seriously expected.

Among the reasons for what I call the prevailing mood, there are two that can be identified. They stare us in the face and they have been well documented. First, according to the Pépin-Robarts Report — the last major psychoanalysis of the Canadian situation — Canadians outside Quebec do not seem to be aware, or refuse to be aware, of the existence of a political crisis inside Canadian institutions. If this is true, how can anyone expect them to press their governments for significant constitutional change? Second, the majority of Canadians outside Quebec, especially in Ontario, do not question the federal system simply because they agree with all or most of its basic arrangements. For many Canadians outside Quebec, that means a centralized system and a stronger central government.

In that regard, a report recently published by the Council for Canadian Unity, following meetings in different cities in Ontario and entitled *Outlook Ontario, 1979* is very revealing. The first chapter of that report deals with "the mood in Ontario," vis-à-vis the division of powers in the constitution. The mood is described as follows:

> There is a wide consensus in the discussions that it is over-decentralization rather than over-centralization that is one of the real dangers confronting Canada today. . . . The overall emphasis in the discussions was on the need to protect the central government in its power to make decisions for the country as a whole.

This would mean that a great many Ontarians do not feel the need to change the British North America

Act, in spite of much verbal output, except towards more centralization. This is the absolute contrary to the desire of a clear majority of Quebeckers, whatever their party. They are looking for a much more decentralized system. And this takes us right back to square one, right back but — 113 years later — in very different circumstances to the basic misunderstanding upon which the Canadian federation was literally founded.

For Ontario especially, and English Canadians generally, the federal system was something that was to provide for a strong, even if possible a quasi-unitary central government and a chance for what was then called "nation building." At the other extreme, for French Quebec, the federal system was supposed to provide minimum security in order for it to survive as a cultural and linguistic identity, and also a chance for more and more autonomy — in other words, less and less centralization.

Recent developments bring us to the third basic reason for the constitutional deadlock. That has been well expressed by many scholars of solid reputation but, unfortunately, of rather weak political following. To take one clear, rather eloquent and recent example, in 1979 in an article on the so-called "unity debate," Milton Moore of the department of economics of the University of British Columbia wrote this:

> The only alternative to independence so far proffered to the Québécois has been that they adopt all of Canada as their bilingual homeland and Quebec as their unilingual homeland. From the outset, that offer suffers from two fatal defects. The consent of the electorate of the English-speaking provinces will never be granted. The aspirations of the Québécois will not be satisfied until they have secured Quebec as their homeland for themselves alone. It is

> conceivable that the language problem could be resolved by a restructuring of the federation along the Swiss pattern, with Quebec unilingual French, New Brunswick divided into French- and English-speaking regions, the other provinces unilingual English-speaking and the federal government bilingual only in the national capital. But that arrangement would resolve only the language problem. (I would have to tell Mr. Moore that I doubt that it would.) To realize their aspirations, the Québécois must win full control over language, culture, economic development and certain international relations.

I don't believe, and I will *never* believe in any kind of culture that becomes a ghettoized museum piece, that does not have a foundation in economics and some control over its destiny and its development. Otherwise, there is no use hanging on to a language. This confirms the absolute basic necessity of that statement by Mr. Moore: "To realize their aspirations, the Québécois must win full control over language, culture, economic development and certain international relations." He goes on:

> This cannot be achieved by the granting of special status, because it would be unacceptable to others that Members of Parliament for Quebec should participate in the formulation of policies for other areas. It is arguable that the interests of all parties would be better served by the extreme version of sovereignty association, originally proposed by the Parti Québécois.

If I may just bring in for a moment a second and formerly quite affirmative voice, this one from way

way back in 1971 after the abortion of the Victoria Conference.

> What just happened goes to show how real and fundamental is the existence in Canada of not one but two nations, and true discussion will begin only when English Canada finally admits that no miracle man will be able to deliver Quebec on any kind of silver platter.

This second authority was, at that time, a prominent Montreal editorial writer by the name of Claude Ryan. I'll leave for you to judge how close he has come in recent times to sounding a bit like that miracle man he was deriding nine years ago.

One thing is for sure. The worst that can possibly happen, and this is essentially the outlook of the Quebec provincial Liberals recently, is to pay lip service to duality and then to forget all about it when designing institutions. One cannot say (as they have just done) that at the same time Quebec is a distinct society, or that there are two founding peoples in this country, and then go about restricting this duality to the membership of a sub-committee of a yet-to-be created federal council which, by itself, would be a monstrosity. Since you cannot have your cake and eat it too, the principle of duality cannot function, and will never function in a federal formula with ten provinces. We are either a province, or we are something else. I believe that the rest of Canada will never accept a federalism where one province is given any kind of really special status, although that expression is not taboo, while at the same time forcing all provinces and Ottawa to change their basic relationship. Such a contraption might perhaps be helpful in the very short term to win elections, but I doubt it, or to win referendums, and of that I am sure not. It certainly is no way to build a viable country.

If ever the federal formula were to be reformed along some of the lines that have been recently proposed, you should know as well as I what will happen. If the status of Quebec as a political minority is once again institutionalized, while complicating the system more than ever, by the same token we would also make recrimination, political blackmail and constant vetoes a permanent feature of our affairs.

I know that there are those for whom the wish is father to the thought, who think comfortably that first we will lose the referendum, and second that we will lose the election, and then the problem will be solved. It inspires nice relaxed columns like the one I was reading this morning in one of your business pages. Now, with the present state of economics, I must say that I don't treat business pages as gospel anymore! But even if those two happy events that I mentioned came about, soon, in actual fact the Quebec problem would become more acute than ever before. Whether we win or not, I am truly convinced that even if we lost very shortly afterwards the change that we propose, sovereignty association, will come to be recognized as the only logical, the only politically rational and humanly satisfactory solution to our problem which always gives us the temptation of trying to square the circle. It can't be done.

What we call sovereignty association goes by many names throughout the world. It not only recognizes the basic duality which we constitute in Canada both in theory and in practice, but if you ever come to look at it with something approaching an objective eye, you will find it surprisingly simple. As a political proposition we believe it makes sense, it is workable. I wouldn't go so far as to say it's an offer you can't refuse. But I would say that it's a sound proposition closely related to the Gordian knot that up to now nobody seems to have found a way of untying. It is

E. G. Burton, President, The Canadian Club of Toronto,
the Honourable René Lévesque, Prime Minister of Quebec,
John A. MacNaughton, President, The Empire Club of Canada.

closely related also to what is now a rather universal trend — and we belong to the same planet as others. It preserves what is essential about the idea of Canada — a common economic space, the free movement of people and ideas, of capital, even of profits, a transportation system, and whenever agreeable to both parties, many additional joint ventures. Do we really need more for each of our societies to develop according to their respective and specific outlooks?

At any rate, some time in the spring, the people of Quebec will be asked to give us a clear mandate to negotiate a new partnership. It will be a partnership, not a rupture. If a rupture should come, it will be because the basic democratic structure of both our societies cannot stand the pressure of change. But for the moment, what we are talking about from the heart as well as the mind — you only have to look at the map to see our intertwined realities and to know that these are required on both sides — is a new partnership with the rest of Canada.

A few weeks ago, we made public the proposed question for next spring. We have been criticized in some quarters, but in order to make it honest, clear on principle and sufficiently descriptive, we allowed that question to run all of thirteen lines, in this vein:

> The Government of Quebec has made public its proposal to negotiate a new agreement with the rest of Canada based on the equality of nations. This agreement would enable Quebec to acquire the exclusive power to make its laws, administer its taxes and establish relations abroad, in other words, sovereignty, and at the same time to maintain with Canada an economic association including a common currency. Any change in political status resulting from these negotiations will be submitted to the people through a referendum. On such terms, do you agree to give the Government of Quebec the mandate to negotiate the proposed agreement between Quebec and Canada?

If a majority of Quebeckers, which is fifty per cent plus one, answer "yes" to that question, we will be ready to discuss our proposals with our eventual interlocutors. And since we are democratic on both sides, and since democratic governments work through votes, I think it is the only real chance to stop muddling through with ever diminishing returns when we know that there is a crisis and that it is hurting our institutions and making them less and less productive.

It is a chance for a new start and mutual respect, and something we never had before, a chance to aim at the kind of understanding that is nurtured between equals. That is the only foundation for real friendship.

I have no illusions about convincing many people here today. But please believe me when I say that I came here with the abiding faith in the possibility of minds opening on both sides to the promises of a new, joint future.

The thanks of The Empire Club of Canada and The Canadian Club of Toronto were expressed to Mr. Lévesque by E.G. Burton, President of The Canadian Club of Toronto.

JANUARY 31, 1980

Canada in the Eighties

AN ADDRESS BY Ed Broadbent,
LEADER OF THE NEW DEMOCRATIC PARTY OF CANADA

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

As many in this room today will recall, on May 11 of last year, our guest of honour, Ed Broadbent, was welcomed to the Empire Club podium as the first speaker of our 1979-1980 season. By his return this afternoon he has entered into a very small and select group that is comprised of himself, John Robarts, Mitchell Sharp and C.D. Howe — the four individuals who have addressed our organization twice in the same season.

We are hosting today what might be described as Ed Broadbent's second coming. His earlier visit was a successful launching of our 76th year and his willingness to attend twice in the same season has assisted the Empire Club in its determination to reaffirm our reputation as a forum that is open to the leaders of all major political parties, particularly so during the course of a general election campaign. The only concern that I have is that many years from now a bookworm, reviewing the index of speakers in our 1979-1980 yearbook and seeing Mr. Broadbent's name twice, will conclude that I, as President, violated the non-partisan spirit of our organization by manipulating the rostrum to give advantage to the New Democrats. The circumstantial evidence is incriminating, but I plead not guilty.

The election campaign in which Mr. Broadbent is presently engaged is an unusual one. The issues that catch the attention of the voters seem to be as unpredictable as the weather. In the early stage of the election the question of who was responsible for it being called was hotly debated, then energy policy moved to centre stage and in the last few days, because of international developments, we have seen a switch to the topic of foreign policy. Mr. Broadbent has remained steady throughout and has moved confidently from one topic to the next with the poise that has won him a strong personal following during his years as New Democratic Party leader; support so strong that public opinion polls indicate that he is the one leader who is running ahead of his party, a fine compliment to his style of campaigning.

When I was speaking to Mr. Broadbent's office in Ottawa regarding this meeting I made a suggestion. It was that, since as I mentioned earlier today's address would appear in the same yearbook as his 1979 speech, he should say something different on this visit. His appointments officer replied, quite correctly you will no doubt agree, ladies and gentlemen, that this might be difficult because Mr. Broadbent's current views and policies were largely the same as those he proposed eight months ago.

With his personal following high and with his positions well developed in the last campaign and, therefore, better known this time around, Mr. Broadbent's current campaign has two of the key elements of a possible breakthrough. A third, and probably more promising, ingredient of electoral successes for Mr. Broadbent and his party is that in this campaign they are out from underneath the most feared curse in Canadian politics — editorial support from *The Toronto Star.*

Ladies and gentlemen, it is our privilege to host a dedicated parliamentarian. Please welcome the Leader of the New Democratic Party, Ed Broadbent, who will speak to us on the topic "Canada in the Eighties."

MR. BROADBENT:

Thank you very much for that warm and thoughtful introduction. I was particularly delighted to see one person here, and that is a man to whom I owe very much in terms of my own intellectual and political thinking, the very distinguished Professor Brough Macpherson, an outstanding Canadian.

I have said a number of times in this campaign about my opponents, the Liberals and the Conservatives, that for me and my colleagues there is a certain problem of credibility when we think about them. But being here today has caused me to reflect upon a different kind of credibility and I regret to say it pertains to my own party. Just a couple of years ago, the then Prime Minister appointed Ed Schreyer Governor General, and just a few months ago the present Prime Minister put Stanley Knowles in the Privy Council. Now for the second time within a year I'm back speaking at the Empire Club! We are in deep trouble. There will be a leadership challenge without question at the next convention of the N.D.P.

Speaking of the establishment, I looked through the book that your guest speakers are asked to sign and I found John Crosbie's name there. A number of times in this election campaign, John Crosbie and I have been mentioned in the same breath — sometimes with different emphasis, given the context — but it has been noted that both he and I attended the London School of Economics. Now, I want to make a couple of points clear: first, that he was there a number of years ahead of me, but secondly, I want to deny the rumour that he was actually a classmate of Adam Smith. There's nothing to that.

Last May, when I was here, I said that Canada's short-run problems — inflation, unemployment and regional tensions — are based on economic discontent and linked to a serious error that was made in economic judgment following World War II. I referred to the decision at that time to sell off our resources to be manufactured elsewhere, instead of establishing a top-flight manufacturing sector here at home, as one of our central problems. Things have not changed much from last May to January of this year. That decision, I want to stress again, has meant not enough domestic research and development. Short production runs have not been aimed at export markets. It explains, more than anything else, why our manufacturing sector is running at only eighty-seven per cent capacity now, and why, just two years ago, Japan, almost devoid of natural resources and thousands of miles away, replaced Canada as the principal supplier of manufactured goods to the United States of America.

That post-war decision to export our resources did indeed have short-run benefits. My generation was particularly fortunate because there were plenty of jobs, made available by the rapid selling off of our resources after World War II. We graduated from high school and university with lots of job opportunities in the mid and late fifties. There were four jobs for each of my classmates. Today, that ratio has been turned around completely. For every job out there, there are four or five university graduates.

But today, Third World countries with nickel, copper and zinc are prepared to sell at prices that undercut ours. That means, as you know, that our traditional share of the raw materials export market has been declining at a disturbing rate. In both human and economic terms, it also means that the level of unemployment in northern Ontario is some thirty-four per cent higher than it is here in southern Ontario. And at the same time that we have been having difficulty selling our resources in semi-processed and raw form, our deficit in manufactured goods has increased more than four hundred per cent in the last seven years. It has gone from three billion dollars annually to over sixteen billion last year.

Reflecting this downturn in the manufacturing sector, our labour statistics have some importance. As a proportion of the labour force, manufacturing has dropped some six points in recent years, and today represents only 21.6 per cent of our working population. This is a dangerous situation for an industrial nation that wants to grow.

I regret to say that unless something is done soon, the future is no brighter. Just two days ago the Conference Board predicted that Canadian manufacturing output would register a three per cent decline in real dollars this year. In Ontario, the industrial heartland, the forecast was even worse — it was for a four per cent decline.

With statistics like these, federal governments should have been saying, and saying some time ago, that we have a problem. It would be wise to take economic advantage of some of our resources. It would be smart, for example, to keep domestic energy costs low so that our industries could have a competitive advantage on world markets. Instead, the Liberals, at least before May 22 last, established the cartel-rigged world price for oil as the target, and the Conservatives introduced a budget which uses the same price as a bench mark. They have imposed in addition, however, an eighteen cent per gallon excise tax, a per-barrel increase of four dollars in the price of oil this year and $4.50 in each of the next three years, as they tried to play the let's-catch-up-with-OPEC game.

The result of such a policy should be clear for a country like Canada. On the one hand, almost no conservation would result because urban transit systems in Canada are not now able to substitute for the use of the automobile. On the other hand, massive increases in unemployment – the loss of 20,000 jobs in Ontario and many potential jobs in western Canada which could emerge if we used our energy as a cost-benefit resource in competition with other industrial nations.

The breakdown of these oil prices is of equal importance. The federal government would have received only about seventeen billion dollars. But Alberta would have received thirty-five billion and the multi-national oil companies would have received some thirty-three billion — thirty-three billion dollars in four years to the oil industry which has recorded enormous profits in the past six years. The profit figures for 1979 were released just last week. Gulf was up fifty-four per cent, Imperial fifty-seven, Texaco seventy-one and Shell seventy-four per cent.

The point I want to make in listing these figures is that price increases of this magnitude and profit increases of this magnitude cannot be justified either socially or on economic grounds. The multi-national companies simply do not need these additional profits, and as every businessman and economist knows, the Alberta Heritage Fund represents a totally disproportionate concentration of wealth within one province on the one hand and is being used simply for safe investments rather than for serious economic growth on the other.

The two old-line parties simply will not intervene in a tough industrial-planning way. In my serious judgment, they have returned to a pre-World War II way of thinking about our economic system. But our future is too important and this sector is too crucial to all of us to be left solely to the whims of the world market place. In our party, we would intervene by establishing a commission on oil prices and profits, and not simply to buy time which is one of the quaint traditions of royal commissions in the country. The purpose of this commission, in our view, would be to recommend a price for oil which would give a reasonable return to the industry, but which would also take

EMPIRE CLUB

Ed Broadbent,
Leader of the New Democratic Party of Canada

seriously into account energy-price impact on existing and future manufacturing industry.

The mechanics of allowing oil prices to almost double in just four years, together with the monetarist and high interest rate policy espoused by Mr. Bouey at the Bank of Canada, *ensures* that we will have both high inflation and high unemployment for the foreseeable future. By the fiscal projections of the Department of Finance, inflation was expected to be a full eleven per cent this year and to continue unabated at the same rate right up to 1985. Unemployment figures forecasted for 1980 levels would rise to over eight per cent, and they would still be, by the most optimistic estimate, some seven and a half per cent five years from now. The Conservatives have simply opted for the same approach as the Liberals, which leads to both high inflation and high unemployment.

Central to this continuing mistake in economic policy is the continuation of high interest rates. You and I both know that with inflation in the United States running at a good three per cent higher than in Canada, the argument that we would lose investment by dropping our rate by two points, to put it bluntly, is bogus. The real rate of return on investment is higher in Canada and we should drop the interest rate *now* to aid businessmen in attempts to expand. As Mr. Miller in this province has pointed out a number of times, in such a circumstance not only would businesses be more likely to expand, but the value of the Canadian dollar almost certainly would remain unchanged.

If we don't make these changes soon, social tensions will almost certainly be aggravated in the eighties. People cannot plan for a decent retirement in the environment of what I call, pejoratively or not, the Crosbie-Bouey-Chrétien program. For all practical purposes, private pensions for people in their early forties will have become nearly worthless. Saving for old age will have to be started all over again. The monetarists who boasted that they would stop inflation in Canada have now guaranteed its perpetuation at unprecedented levels. Our balance of payments deficit is expected to reach eight billion dollars this year, up one and a half billion from last year. This has to be paid by borrowing at record interest rates, once again perpetuating the vicious circle.

I repeat today what I have said before in this campaign. We not only need lower interest rates but we also should have tax cuts to stimulate growth which will produce jobs, goods and services. People and business would grow and would generate more taxes. Men and women would be contributing to the economy, not collecting unemployment insurance. We would not increase inflation now by having a tax cut when we are operating at only eighty-seven per cent capacity.

We have estimated from Statistics Canada figures that last year our balance of payments deficit on interest and dividends alone was about $4.4 billion, plus another $2.4 billion in consulting fees and research and development to head offices which reside outside our country. This is $6.8 billion going out of the country which, in our view, should be kept in Canada for investment. It is no longer good enough to sit back and do nothing. The time surely has come when we have to take some different approaches. The longer we delay, the more we yield to others outside Canada the power to impose their economic priorities upon us.

There are, as I have already suggested, some short-run approaches like lower interest rates and tax cuts that will help. However, if Canadians want sustained lower unemployment, if they want more economic growth and lower levels of inflation, then this country needs a government that is prepared to step in and show some long-run economic leadership. Instead of twiddling our thumbs, let's develop the serious potential that we have in our resource sector. That requires what we have called, for many months now, an industrial strategy, with the national government playing a significant leadership role.

I may say parenthetically in this context that I have not been a man who has admired without qualification the consequences of the work that C.D. Howe did in this country when he was playing such a leading role. But, in my judgment, he was the last man we had at the national level who saw that the purpose of having a role for government was to have effective government, not just big government. My central criticism of the Liberals and the Tories for many years is that since C.D. Howe they have no one with a sense of drive and overall sense of leadership. His priorities were different from mine, but that kind of activist role is certainly what I am calling for.

We must be one of the most fortunate peoples on earth. It's a cliché, but it's true. We have reserves of natural gas, oil, heavy oil, tar sands, coal, wood, hydroelectric power, uranium, zinc, copper, potash, nickel, gold and asbestos, to name only a few. We have educated, bright people — one of the best educated labour forces in the world. All the political parties agree that we have the capability to be energy self-sufficient if not within ten years, at least within fifteen. We should be working to develop some of these different energy sources and to start substituting them as quickly as possible for our use of oil and gas.

Earlier in this campaign, I talked about planning specifics that have worked well in other industrial countries. I am not going to elaborate on them again today. I will simply list them.

We should be first establishing planning agreements with leading industrial corporations. We should have a Canadian investment fund that could be active in levelling out the boom and bust nature of our market economy. We should have a restructured FIRA that has control of the outflow of capital, to ensure that there is a long-range benefit to Canada, as well as checking inflows of capital. We should have a small-business assistance program of the kind that has worked very well in the United States, which among other things ensures that a certain share of business comes from the government to the small business sector.

Having stated these programs, I want now to list some of the concrete specifics which for us make sense. We should maintain the two-price system for oil and natural gas, which the New Democratic Party first suggested to the Liberals back in the early 1970s. Other countries that are or are about to become self-sufficient in oil and gas have it. With a lagging manufacturing sector, this is precisely what is required now for Ontario and Quebec, but I also want to stress that with the potential for industrial growth in western

Canada, it is also required to get that growth underway.

We should not export any more fossil fuels. We should instead be using our gas to substitute as quickly as possible for the imported oil that we use in Atlantic Canada and Quebec, and using some of it to develop a petro-chemical industry in western Canada.

We can reduce diesel fuel consumption by beginning to electrify railways in those provinces, like Manitoba and Quebec, where we have a surplus of electricity. We should be moving with speed and determination to see that more Canadian grain gets to market on schedule by expanding west coast facilities and providing the hopper cars that are needed. The Canadian Wheat Board says that we have the capacity to increase grain exports by a full fifty per cent by 1985. That is how, in my view, to reduce our serious balance of payments situation.

We should ensure that Petro-Canada, and provincial crown corporations and agencies, have a major control in future tar sands projects, so that we can bring in that energy at cost, saving the national economy literally billions of dollars and simultaneously reducing the level of foreign control in that sector. Those familiar with the Conservative government's establishment of Hydro as a monopoly in this province should not find it too radical for me to propose that Petro-Canada should have virtually the same role in the future development of the tar sands.

We should insist that those companies doing resource business here in Canada do more of the finishing processing in Canada. We should sign new letters of agreement with the big three automobile makers so that Canada derives its fair share in the auto pact. We did it once, from 1965 to 1968, and during that period we got our fair share of investment, but subsequent Liberal governments have ignored that effective instrument.

In addition, in this decade, the government in co-operation with the private sector must ensure that investment goes into sectors that will be winners in world markets. I notice a top executive of the Royal Bank saying that the banks do strategic planning, so why not governments? Why not indeed? Why shouldn't Canadians be doing what the Germans, the Swedes, the Japanese have been doing for a long, long time.

But governments in Canada are opposed, in my view, to an industrial strategy. History bears this out. They only get involved when a corporation is in trouble. For example, the C.N.R. and de Havilland. Then after the company is restored to health, they sell it back to the private sector, or in some cases simply give it away. But we want to get involved in and maintain successful joint ventures that will work well and keep on working.

Let me conclude by saying that this is not pie in the sky stuff. It is practical. It works in other countries. Indeed, it is working well in the province of Saskatchewan which has had a remarkable industrial advance. (And I can say in passing, it has the lowest number of civil servants per capita in Canada.) It could work well at the national level. What is not working is the old approach.

This means that Canadians have a real choice on February 18. They can choose either the Conservatives or the Liberal parties, and in so doing they will perpetuate the kinds of problems that I have just talked about. Or they can choose a new approach, which is being offered by the New Democratic Party, which says that it is no longer good enough for our people to be hewers of wood and drawers of water. We want to be a first-rate industrial nation. We want this country to begin to fulfill, at long last, the bright future that Sir Wilfrid Laurier predicted so long ago for all of us.

The thanks of the club were expressed to Mr. Broadbent by Harold V. Cranfield, a Past President of The Empire Club of Canada.

FEBRUARY 7, 1980

Government and the Arts

AN ADDRESS BY Mavor Moore,
CHAIRMAN OF THE CANADA COUNCIL

CHAIRMAN The Second Vice-President,
John G.B. Strathy

MR. STRATHY:

Ladies and gentlemen, members of The Empire Club of Canada: A number of years ago, someone suggested that Mavor Moore did not exist at all but was "a household name manufactured to conceal the identity of a dozen people." Let it be said here and now, there is a Mavor Moore and he does exist and is currently alive and well as Professor of Theatre at York University.

Mavor Moore's career has in truth been a spectacular one, chock-full of challenges and adventures, a producer, playwright, director, actor and part-time artistic guru. Mavor Moore has always been at the centre of everything.

At ten, he produced his first play in a corner of Deer Park public library. At eleven, he wrote his first play. At fourteen, he was a professional radio actor. At eighteen, he was appearing as an actor at Hart House. At twenty-two, he became CBC's youngest producer after graduating from the University of Toronto, at the head of his year, in Philosophy and English.

In the years since, Mavor Moore has appeared as an actor in theatres from Vancouver to Prince Edward Island, has written operas, plays, radio and television dramas, films and reviews, novels and verse. He was the creator of the popular revue *Spring Thaw*.

Mavor Moore has served as CBC's chief producer, chairman of the board of the Canadian Players, Artistic Director of the Charlottetown Festival and as a theatre consultant at Expo 67.

For all his projects and his energy, Mavor Moore is essentially a thinking man, a philosopher in artist's clothing, a man who has deep and very serious beliefs and concerns for the future for man himself. As he sees it, "Society is heading for a crack-up. One possible way of avoiding it is through the arts."

For a moment let's think about Mavor Moore back in 1968 when he made this observation: "The recognition that cultural affairs are of more than passing significance has been late in coming to Canada. It is only in the last few years that the arts have become acceptable here. The problem is that too many people think of the arts as a frill." Mr. Moore went on to say, "Young people are now realizing the significance of the arts. They are turning their energies in a creative direction. We have got to encourage these attempts. Toronto has a great and tremendous responsibility to the rest of Canada. If Toronto doesn't show theatrical leadership, what city can?"

Mavor Moore was born in Toronto in 1919 and educated at the University of Toronto. In 1946-47 he launched with his mother, Dora Mavor Moore, Toronto's New Play Society, seed-bed of the post-war theatre in Canada.

Mavor Moore has been a producer and artistic director of the Stratford Shakespearean Festival, a founding director of the Charlottetown Festival, and first general director of the St. Lawrence Centre for the Arts in Toronto.

In addition to producing, performing and directing shows across Canada, Mavor Moore has written more than a hundred plays for the stage, radio and television, and several musicals including *Sunshine Town*, *The Best of All Possible Worlds*, and *Johnny Belinda.*

Let it be said here and now that there is a Mavor Moore and he does exist. Exactly one year ago this month he was appointed Chairman of the Canada Council, the first artist so appointed.

The Canada Council disburses about forty million dollars a year to theatres, opera and ballet companies, writers, and artists. In Mavor Moore's own words, "The present tremendous burst of activity in the arts has been principally due to the funds made available by the Canada Council."

Ladies and gentlemen, members of The Empire Club of Canada, our guest speaker Mr. Mavor Moore will speak to you on the subject "Government and the Arts."

MR. MOORE:

If I had been speaking to you at this time last year, I would, I imagine, have been pleading the case some of us have been pleading for forty years — a case some of you have heard me make many times before: the case that the arts are not a frill but a crucial aspect of our lives as individuals and as a nation. But times have changed. The newspaper columnist Jamie Portman put it succinctly: "The year 1979 saw the arts community become a viable political constituency."

In the last election, for the first time in our history, every one of the major political parties proclaimed an arts platform — and they have done so again in this election. "The air," to misquote Hamlet, "is promise-cramm'd." This has come about, I believe, not just because of the realization that the arts, as industries, now have a good deal of voter-power, but because politicians in many countries have been increasingly persuaded of the sheer importance of our cultural activities to all of us. Last year, for example, the California Legislature increased its arts funding by 430% —at a time when state legislatures across the U.S. were

Mavor Moore,
Chairman of the Canada Council

looking for ways to hold down spending. The legislators were impressed, it seems, by the arguments that each dollar spent on the arts generated twelve dollars for the state's economy, that the arts were a burgeoning and labour-intensive industry, and that "the arts deserved a tremendous increase because they had been neglected in the past."

Such arguments have been used to great effect in Canada by the newly co-ordinated arts community, along with the purely Canadian case that a nation sitting beside the greatest arts, entertainment and education factory the world has ever seen must invest in its own future or it is likely to have none.

There has been, over the past couple of decades, a cultural explosion in Canada, the like of which is rare anywhere in the world. The key element in this explosion has been the Canada Council, which has only just come of legal age. Like its counterparts in some provinces and municipalities, the Canada Council was established as a public trust, overseen by a board of public trustees appointed by the government but accountable to parliament — "to avoid the risk that the arts be manipulated," as my predecessor put it, "for purposes alien to them."

Until two years ago, the Council was responsible for both the arts and the social and humanistic sciences. A separate council was formed to attend to the latter, and now the Canada Council itself is responsible mainly for the arts. With the exception of its original endowment and some funds that it administers on behalf of estates, the Council's entire budget is dependent on an annual grant from Parliament.

That grant, I must tell you at once, has been "backsliding" — so that despite small increases in some years, in terms of real dollars we are now at the level we were at in 1975, while the costs of our artists and arts groups have been rising substantially, not to mention their cost of living. I am not here to cry "Wolf!", but to tell you in all seriousness that — to speak only of the performing arts — all three of our leading dance companies, several of our major symphony orchestras, the Stratford Festival and other theatre companies in Ontario, Quebec and across the land are on the edge of financial collapse. And this is at a time when their importance to the country was never greater, when our politicians of all parties claim to be more concerned about them than they've ever been, and when the esteem in which the rest of the world holds our artistic achievements has never been higher.

The explanation often given is that at a time of austerity *everything* must be cut. Why should the arts not take their lumps, along with everything else? The British economist, Lord Robbins, thinks differently:

> It is quite true, in my judgement, that we have been spending too much in the aggregate . . . To prevent inflation, therefore, it is desirable that we should spend less . . . and this may well be held to imply greater prudence in public finance generally. But it does not, in my judgement, imply that we should spend less on culture and learning, in relation to which on any comparative standard our spending is so much in arrears. The necessity to curb spending in general does not in the least imply a necessity to curb equally in all directions.

But whether the arts are treated well or ill by a government in comparison with its other obligations, it seems clear that a marriage of sorts has taken place here, as it has in most countries, even the United States.

Politics and art may make strange bedfellows, except for those who believe in Marx's Socialist Realism, but they are certainly in bed together. But if we're not careful we may find ourselves in a situation that might be labelled Capitalist Realism. Marxists believe that art should be the servant of the state. In the last quarter-century, our society has worked by a different set of rules: a commitment to artistic excellence as the central criterion in the provision of financial support; a reliance on professional advisers in the determination of that excellence; and an assurance of independence from partisan political pressures in allotting the financial support.

But as our arts have come to rely more and more on funding from the public purse, and as that purse has shrunk, there have been new pressures with which the Canada Council — that 21-member board of public trustees from across the country — has had to cope. And I may say that we are not alone; the same story is to be heard in Britain, in Australia, in the United States, France and other nations.

The first and most obvious pressure is that those who pay the piper have become very frustrated at not being able to call the tune. A Member of Parliament receives a complaint, let us say, about a grant or a non-grant to a constituent, and is politely told that the Canada Council, not the Member, makes such a decision. Another would like to have an orchestra in his/her city, and is told the Council doesn't see its way clear to making such a grant. Now at first glance the Member's frustration may seem quite justified. But what happens if we destroy the carefully established independence of the publicly-appointed trustees?

So I may be under no imputation of partisanship, let me use an example from another country. In the *New York Times* of December 23 last, there was an article headed "The Arts and Politics in New York State":

> Earlier this year, the Queens Shakespeare Theater Foundation — an ambitious but inexperienced producing group — applied for a grant to the New York State Council on the Arts, which is the official state agency for cultural support. Soon after, the directors of the foundation were informed that their application would probably be turned down because of the Council's policy against support for organizations which have not been in existence for at least two years. A few months later, however, the Queens Shakespeare Foundation received $50,000 in state aid.
>
> What happened?

It seems that after learning that its application was about to be rejected, the Queens group circumvented the State Council on the Arts by lobbying to win over Queens Assemblyman John Esposito, who then arranged for the State Legislature to pass a special appropriation — a "line-item" grant, so-called because it sometimes appears on a separate line in the annual state supplemental budget — allocating $50,000 to the Queens Shakespeare Theater Foundation.

To be sure, there is nothing necessarily sinister about this process. Making appeals to legislative bodies is the perfect right of any citizen or group of citizens, and the Queens theater may well be deserving of support despite its newness. Nevertheless, the State Arts Council, like similar agencies in other states, was established precisely to take grant-giving in the arts out of the hands of the State Legislature on the theory that a panel of experts free from political pressure could make more objective and wise decisions about the dispersal of state funds in this area. Thus the circumvention of the Council runs counter to the wishes of the Legislature, which established the Council in the first place, and raises serious questions about the politicization of arts funding in New York State. For the fact is that the case of the Queens Shakespeare Foundation is not isolated . . .

As the Arts Council enters its twentieth year, it seems clear that, despite many statements, assertions and denials, arts funding in New York State has become closer to politics than ever before. What this means to the taxpayer, to those involved in the arts and to those who

> appreciate them, is that the state agency charged with the dispersal of state funds in this area has become, to a noticeable extent, circumvented, and tax dollars are now being handed out according to an organization's political clout rather than its intrinsic quality.

Already, successive governments in Canada have established direct granting procedures in the arts which do not go through the Canada Council, and more are promised. Now I should say at once that there are many cultural activities which the Council does *not* cover — cannot cover with its limited budget — such as amateur arts. And it may also well be that with its criterion of excellence (however defined) the Council is ill-suited to make grants for the purely commercial aspects of such industries as film and publishing. The danger comes only when the government of the day, without relying on the impartial judgment of its own publicly-appointed trustees, makes direct grants unresponsive to the most urgent needs of the artistic community and the public — as perceived by those trustees.

But there are subtler methods of control on the horizon. The recent Lambert Report, which has been accepted in principle by both major parties, proposes the introduction of "ministerial directives"; directives from the government of the day to the Council indicating specifically how such-and-such funds are to be spent. This, it is proposed, would increase the Canada Council's accountability to Parliament.

I confess I cannot follow this argument — since accountability can only be called for where responsibility is involved. The use of directives would not *increase* accountability but diminish it, since actions which might otherwise be rightly questioned would be ruled beyond dispute by reference to the directive. Accountability means being given a job to do and being held responsible for how you do it. The Canada Council is responsible and accountable to Parliament; the staff is accountable to the Council. If the staff were to receive direct orders from the Minister, there would be no need for a board of public trustees.

The relationship between an arts council and its government, in many countries, is characterized as an "arm's-length" one. This seems to me something of a misnomer because it suggests they do not work together, which in fact they must. The government already has many powers of control over the Canada Council. It appoints the Chairman, the Vice-Chairman and Members for relatively short terms, and it appoints a Director and Associate Director to hold office during its pleasure.

The government also has the determining role in setting the annual level of expenditures of the Council, which is dependent on an annual appropriation for its operation — an appropriation which it must justify in its prior presentation to the government, and afterwards in its annual report to Parliament and the public.

There is, of course, no question whatever that the Canada Council or any other such body should be held accountable for its stewardship. It already is. It has an audit committee as part of its own financial control structure, and is regularly audited by the Auditor General, to whose recommendations it has always been responsive. The point at issue is not *financial* accountability, nor is it adherence to the Council's terms of reference as established by Parliament. The issue is the relationship of the government to the arts community — on whom it must eventually rely, whatever its policy. Money cannot buy or produce culture; it can only provide an opportunity for our artists to make it happen.

Now, why should democratic governments avoid direct involvement in the funding of the arts? There are at least two reasons. The first is to ensure the freedom of the artist to question and criticize the current perceptions and conventional wisdom of the society of which he is a part. The second is to insulate governments from an area of controversy where their intervention has almost always proved awkward for the arts and for the governments themselves. The best answer, in almost every country of the western world, has been to establish autonomous arts bodies which *can* be held responsible for the implementation of the broad artistic policy laid down by the government.

If, for whatever reason, such a body is enfeebled by being put under the control of authorities whose main concern must be financial or political in the narrow sense, it must be expected and feared that priorities would be set on a different basis, and would no longer respond to the needs as seen by a body of knowledgeable persons appointed for their expertise and dedication to the public interest.

There are many other developments in the arts that I might talk about today — including federal-provincial relations (now that provinces are so active in the field of culture), the need to support *both* excellence and development towards it, the effect of a freedom-of-information act on a professional jury system, and many others.

But I honestly believe that the whole system of support for the arts in this country rests upon the maintenance of an independent board of public trustees. One of the country's leading arts columnists last year called the Canada Council "the most democratic and efficient means of allocating funds to the arts." A recent editorial in the *Ottawa Journal* said: "Its integrity and independence have never been in doubt; the great flowering of the arts in this country is in significant part the result of its efforts."

There is much in the system to improve, and we are working hard on it. But we should be very careful indeed before we emasculate or strait-jacket a system that has worked well and responsibly, that is strongly defended by the arts community, and that has been imitated and envied in other advanced countries.

The Canada Council is not a give-away to others but an investment in ourselves.

The thanks of the club were expressed to Mr. Moore by Montague Larkin, a Director of The Empire Club of Canada.

FEBRUARY 14, 1980

The Challenges of Change

AN ADDRESS BY The Right Honourable Joe Clark,
PRIME MINISTER OF CANADA

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: This afternoon it is our privilege to welcome to the Empire Club the Right Honourable Joe Clark, Prime Minister of Canada. It is a great pleasure, Sir, for members of this club to have you with us and as the first item of business today I want, on behalf of all the members gathered here, to thank you for agreeing to address us this afternoon and also to thank you, Prime Minister, for taking time off from your busy election campaign to do so.

You will recall, Mr. Clark, that on your two earlier visits to the Empire Club there was a great deal of light-hearted bantering about the non-partisan nature of this forum. In this regard I draw to the attention of the members of the Empire Club present today that I have fulfilled my obligation to that tradition over the last few weeks by welcoming to this podium Liberal Jean Chrétien, Separatist René Lévesque and Socialist Ed Broadbent; as a reward for the forbearance that required I hope the audience will allow me to savour to the full the pleasure of being here today with Prime Minister Clark.

Mr. Clark and his candidates are campaigning for re-election under a banner that reads "real change deserves a fair chance." No doubt people in the audience are aware of the kind of changes he has proposed and many, probably all, are in agreement on the need for a determined confrontation by the central government with problems that our country will continue to face whichever party takes office after the election to be held in just four days.

Ladies and gentlemen, the debate about the changes Mr. Clark has proposed has been intense, so let us detach ourselves for a moment from the passions of an election campaign to reflect on the words of some men who have written and spoken about the wisdom and courage needed to understand and withstand the ordeal of change.

First, former Chase Manhattan Bank Chairman David Rockefeller who addressed this club in 1971:

> From time to time, we must step away from our day-to-day tasks and examine the shifting trends and values that will shape our future.
>
> In these times, of course, there is no shortage of pundits and critics who scrutinize modern life. Almost daily, our nation's soul is searched; its psyche probed; and its anatomy dissected as seldom before.
>
> Self-examination can be useful if it warns us against complacency and alerts us to the pitfalls of self-deception. It is even more beneficial if it instructs us in the ways of creating a better future for ourselves and our fellow beings.

If the kind of examination proposed by David Rockefeller identifies areas of complacency or self-deception then strong policies and attitude-altering changes, rather than half-measures or wishful thinking, are needed. Mr. Clark's new government, in such areas as energy pricing, financial management and foreign policy, had no long-standing record to defend and was able to move decisively to introduce bold changes, observing in the process the dictum of one of our speakers in 1923, British Prime Minister David Lloyd George, who commented: "The most dangerous thing in the world is to leap a chasm in two jumps."

The advocacy of fundamental and significant change, both in governing and in electioneering, is a strategy that contains many risks. As Dostoyevsky put it, "taking a new step, uttering a new word is what people fear most." But it is also an honest man's approach. Joe Clark's answers to the major policy questions in this campaign contain no dissembling, no equivocation, no obfuscation, no algebra — just clear proposals for a clean break with policies of the past. To be so specific requires not only integrity but also courage and Mr. Clark, by continuing to defend what he believes is right for Canada, has exhibited a courage of conviction that has reassured his supporters and, in many quarters, has confounded his opponents.

Sir Wilfred Grenfell, the Labrador missionary doctor who addressed the Empire Club in 1921, spoke eloquently of the kind of courage Mr. Clark has shown when he said very simply, "It is courage that the world needs, not infallibility. Courage is always the surest wisdom."

Ladies and gentlemen, it is a proud moment for me to ask you to rise and welcome the Prime Minister of Canada, the Right Honourable Joe Clark.

THE RIGHT HONOURABLE JOE CLARK:

Mr. Chairman, Rabbi Monson, ladies and gentlemen: It is an honour for me to be back at the Empire Club, and I will naturally restrain my normal partisan impulses and respect the traditions that your chairman has honoured so faithfully.

I should begin by expressing my wife Maureen's regret at not being here. Some things get delayed by election campaigns: fighter aircraft purchases, the work of Parliament. But some things don't. Maureen has two examinations for her Bar admission course tomorrow morning. She is upstairs boning up on them. If there's anybody here from the Upper Canada Law Society, I want you to think of her! That is the reason for her absence today and she wants me to express her good wishes.

I want to speak to you today about a job that I like, about a country that I love, both of which I intend to hold — the country forever, the job for a reasonable number of years yet to come.

One advantage of being the Prime Minister of Canada in an election campaign is that I have the opportunity to meet a wide number of Canadians and to discuss with them directly some of the most important developments in Canada. For example, two days ago I spoke to one of the policemen on my detail about his son who is six and has started to play hockey. It has not been a particularly good season — he could have been playing for the Leafs! That is until last week, when the boy scored two goals and got two assists. Today, he's Guy Lafleur, and his father, when he's not protecting Prime Ministers against the weather of Winnipeg, is down at the rink testing his slap shot, teaching stick handling, and picking up a game young scorer when sometimes he stumbles over his six-year-old feet. It brought home to me the fact that youth telescopes life. Changes happen dramatically. That little boy is going to be a hockey player. My little daughter Catherine, who a couple of years ago couldn't get a sentence out, embarrasses me now with the proficiency with which she pronounces her French rs, far better than her father does. As parents, I suppose we become accustomed to seeing that in children. As citizens, we should look as keenly to see it in the country, because the country is changing too, changing dramatically, and the real test of national political parties and of national governments is how truly we reflect that change.

En ce début des années quatre-vingts nous devons prendre conscience que le Canada a beaucoup évolué et qu'il n'y a qu'un seul parti qui soit résolument engagé dans la voie du changement: c'est le parti progressif conservateur. Nos politiques ne cherchent pas à défendre le passé ou à perpétuer le statu quo. Au contraire, elles sont essentiellement axées vers l'avenir. L'avantage du parti conservateur et de mon gouvernement c'est qu'ils sont représentatifs de toutes les régions du pays. Nos politiques et nos attitudes s'inspirent de la diversité du pays et reflètent les intérêts de toutes les régions du Canada. Il est d'ailleurs intéressant de noter que c'est sous un gouvernement conservateur, sous mon gouvernement, que le Québec a commencé à être traité avec le respect qu'on lui doit. Il y a à peine six mois le Québec était constamment battu par Ottawa. Aujourd'hui, le point de vue du Québec est respecté à Ottawa et les échanges entre les deux gouvernements sont civilisés. Oui, en six mois à peine, les temps ont bien changé au Canada.

You will have read that when I became Prime Minister last June I brought to office a very narrow apprenticeship in politics, a skate board and a forceful chin. Well, I brought a little more than that to the office of Prime Minister. I brought a knowledge that the psychology of this country had changed, that three regions — Quebec, the Prairies and British Columbia — which had been weaned on resentment and on doubts were suddenly as self-confident as Ontario had been: Quebec for cultural reasons, the west for economic reasons. I brought also a knowledge that the sense of security of the country had changed; not just the reaction to external threat, which has become more acute in recent months, but the expectation of domestic uncertainty. This had been a country where certain basic necessities could be counted on, could be taken for granted. They were assured. But in recent years, those certainties have come to be in question,

The Honourable John P. Robarts, P.C., C.C., Q.C., Former Premier of Ontario and Honorary Solicitor of The Empire Club of Canada; the Right Honourable Joe Clark, Prime Minister of Canada; John A. MacNaughton, President, The Empire Club of Canada.

as savings were eaten away by inflation, as young people couldn't find jobs, as personal optimism eroded.

I remember a Canadian of Italian origin, a Canadian by choice, telling me of the anguish in his community where people had made the hard choice to tear up roots they had grown with and come here to a land of opportunity. They were now finding interest rates too high on mortgages. They found that too many other children shared the training that was supposed to be their child's own passport to Canadian security.

We are not the same nation, entering 1980, as we were entering 1970. Some of the changes are negative and one regrets a loss of innocence. Most of the changes are positive — proof not only that we are maturing as a nation, but that we are coming to terms with the special nature of a unique country.

I want to speak with some pride about some changes my government got started to build a better footing for Canada in the 1980s. But first, let me give you a little more detail about some of the changes that we found when we became a government.

One of those concerns the so-called question of national unity, which has become a code phrase for "What are we going to do about Quebec?" It is my judgment that on two old issues, language and the need for constitutional reform, attitudes have already changed almost completely. I am applauded now when I speak French in Hamilton and Vancouver and Winnipeg, and if I may say so, I am appreciated when I speak French in Sept Iles, Quebec, or Dieppe in New Brunswick. Johnny MacKenzie and I were born in the same hospital in High River, and they're almost as proud of my French as they are of his hockey!

There was fear in this country. There was hatred in this country. Those forces are receding, and we can turn our attention now to the practical problems of how we translate the statutes of Manitoba into French, how we assure fairness to public servants who were denied a bilingual background, how we implement the Schweinar Report. As for constitutional change, everybody now wants it, and we have literally volumes of proposals, from those of John Robarts through those of Claude Ryan, from the governments of Ontario, of British Columbia, of Quebec, from committees of Parliament, from the Senate, from individual citizens across the country. The question for most of us at one point was should there be any change? And here I do not pretend to speak for Pierre Trudeau, who has held fixed ideas on this question for a long, long time. But for most of us, the question now is what changes can we fashion to maintain a nation that is strong as a national economy, strong as a national idea, and yet encourage the expression and the expansion of its diverse parts? My government, as you know, has commissioned Senator Arthur Tremblay, a distinguished Quebec constitutionalist, avec une profonde connaissance du Canada tout entier, a man, by the way with no known connections to the Conservative Party when he accepted my invitation to the Senate. Senator Tremblay has accepted the commission to consult the work of Robarts, Ryan and everyone else, and to prepare a federal proposal for constitutional reform for discussion in the Parliament of Canada, and I hope, if possible, if it can be agreed with the provinces, discussion in all the Legislatures of the land some time in the late fall. We have timed it deliberately so that that proposal will appear after the referendum, so the P.Q. can argue neither federal interference nor federal indifference, and also to demonstrate our conviction that this federal system must be modernized, whatever the result of a provincial referendum in Quebec.

The larger question remains. What kind of country are we? And that question, in my view, is more cultural than constitutional. I spoke of a concept last spring, talking about Canada as a community of communities. It is a concept which I believe draws near the nature of this nation, a nation which is proud of its whole but which is formed in its parts.

As with so many important questions, the country arrived at that concept ahead of the politicians. Long ago, Northrop Frye distinguished between unity, which is national, and identity, which is local. That theme of a community of communities is one that I would have liked to elaborate today, but with energy crises, elections and the other diversions of the past few months, we have only begun serious elaboration of the concept. I believe it contains the elements of a Canadian definition, but the definition, like the country, has not yet taken final form.

The other basic change we found in the country, with which we had to deal, is economic. More precisely, it is the willingness to face reality about Canada's economic circumstances. Most Canadians now accept that while our potential is enormous, there is nothing automatic or guaranteed about Canada's success. We will have to earn that success in the future, just as we had to earn it in the past. That new economic realism is a valuable ally to government, because it creates a context of support for policies that might otherwise be unpopular.

We have acted on that assumption, introducing both a budget and an energy policy that cannot perhaps be accused of being popular, but that can be defended absolutely as being necessary and being honest.

I think that you know the premises and the detail of our budget and of our energy policy. We have cut the spending of the government of Canada and we have cut the cash requirements of the government of Canada, because we believe that that kind of proof of discipline is the only way to restore investor confidence and to give the government of Canada the authority to urge restraint and responsibility on others. It is an essential base for more jobs, for more growth, for less inflation. It is the basis of John Crosbie's honest budget.

Our energy policy is based on the belief that it is dangerous and foolish for an energy nation like ours to deepen our dependence on insecure foreign sources of oil when we have such abundant hydro-carbon and other energy sources right here at home. We decided in June to move deliberately away from foreign sources and towards Canadian self-sufficiency in energy by 1990. Events since that decision have proven just how right we were to take it. We acted before the revolution in Iran, before the Soviet thrust towards the oil wealth of the Persian Gulf, before OPEC increased by nearly one billion dollars this year the cost to Canada of imported oil.

Of course, those policy changes will not suddenly solve all of the difficulties we face as a nation. Problems build up over time and they require solutions that work over time. We came to office after a decade of deficits, after a long period of escalating reliance on foreign energy. We tackled those problems at their root and changed the fundamental direction of Canadian policy, away from deficits, away from dependency. We are spelling out in detail a ten-year plan for energy self-sufficiency and a five-year forecast on economic policy. My colleagues are running for office to stay in office, and we intend to be around to accept the responsibility for the plans we are putting into effect today.

In this election campaign, we have all heard a lot about image. We have not heard much about management. Yet government, basically, is management. I say to you without qualification that I am proud of the team of ministers we have built, I am proud of the priorities that our government has established, and proud of the thoroughness with which we have begun the basic change which we were elected to achieve, and the thoroughness with which we have begun important policy reviews that will be the birth of change in other fields.

We reorganized the cabinet system of Canada, because when you get as many as thirty people around one table you tend to talk too much and decide too little. We introduced an expenditure management system, because respect for your tax dollar has to be every minister's business, not just the business of the President of the Treasury Board. When spending is out of control, government is out of control. We pro-

The Right Honourable Joe Clark,
Prime Minister of Canada

posed reform of Parliament. The package was there, on the table of Parliament. Members of Parliament are sent to Ottawa to represent people and to represent constituencies, not just to vote for or against a government. There is no representative democracy when thirty ministers have all the power and 250 elected members have only frustration.

We recognized that our medical care insurance system has developed flaws over a decade and we need to examine how its basic principles can be made effective in the 1980s. So with the agreement of all the provinces save Quebec, the Honourable David Crombie assigned that review to the architect of Canadian medicare, Mr. Justice Emmett Hall.

We recognized again that over a decade we have built up the Canadian pension system, a separate piece at a time, and that what is needed now is a comprehensive review of retirement needs in the 1980s. So we gave a select committee of Parliament a mandate to undertake that review.

We had ready, for consideration by Parliament, important reviews of the direction of Canadian foreign policy, Canadian aid policy, Canadian cultural policy and Canadian fishery policy. We had ready for January the first national economic development conference ever convened in this nation, the first opportunity for labour, business, federal and provincial governments, other partners in the Canadian economy, to come together around one table, to plan together the nature and the evolution of the Canadian economy in the 1980s. We recognized that research, development, innovation simply cannot be turned on and off a year at a time, so we established five-year budgets for national research funding agencies.

Ladies and gentlemen, those were some of the changes that we got started, in just six months, as a young government that recognized that we cannot build the 1980s by repeating the mistakes of the 1970s.

We began one other fundamental change in our way of governing. It is a change to which I want to refer in closing, because it goes to the very nature of Canada.

For years, particularly under Mr. Trudeau, most of our national effort went to building strength at the centre of Canada, and to resisting strength in the regions of Canada. Of course, the Canadian central government must continue to be strong, particularly in its capacity to direct the Canadian national economy and to direct Canadian foreign policy, but it need not be so strong as to stifle the initiative of Canada's people or of Canada's parts. What makes this nation unique, and what can make this nation successful in the 1980s, is that we encourage individual initiative and individual identity. We can have strong regions and draw from them strength for Canada.

Canada grew because individuals were prepared to reach out and to build a stake in Canada, because regions, above all this province of Ontario, built strength and shared the advantages of that strength with the whole nation. Culturally, that is why we are now developing such pride in our regional and ethnic identities. And ladies and gentlemen, that is no threat to Canada. Canada is where diversity comes together. In a sense, my cabinet reflects that fact. The Honourable Jake Epp spoke German before he spoke English. The Honourable Steve Proposky spoke Polish first. The Honourable John Crosbie still speaks Newfoundland.

We live in a remarkable country. I remember one day last May starting my morning in Yellowknife where the oldest restaurant had been built in 1937 and travelling on to Charlottetown, where the Fathers of Confederation had met to form a nation, seventy years before that first restaurant opened in Yellowknife. We had frontiers then. We have frontiers now — some physical, some cultural, some intellectual — but we remain a land to reach out in, a land without limits, and the work of government, the role of leadership, is to bring Canadians together to build Canada together. That requires different approaches in different times.

I have other occasions to debate the past. For six months my government faced the challenge of helping to build the Canadian future. We knew basic changes were necessary. We faced them honestly and we faced them with confidence, and it is with that same confidence in the judgment of Canadians, in the country that we can build together, that I and my government ask a fair chance to make Canada strong in the 1980s.

The thanks of the club were expressed to Mr. Clark by the Honourable John P. Robarts, Honorary Solicitor of The Empire Club of Canada.

FEBRUARY 21, 1980

From Trudeau to Clark to Trudeau

AN ADDRESS BY Geoffrey Stevens,
ASSOCIATE EDITOR,
THE GLOBE AND MAIL

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: The high percentage turnout for the election completed earlier this week demonstrated once again that, for many Canadians, politics is at least as popular a sport as hockey. But for most of us, politics and government is an armchair sport; we send others on to the playing field and follow their activities from the comfort of our own homes, with help from the members of the Fifth Estate who chronicle their exploits for us.

Amongst the small number of political journalists who have developed national reputations for their insights and writing skills the name of today's guest of honour, Geoffrey Stevens, comes quickly to mind as one of the most prominent. For many Canadians his daily column on page six of *The Globe and Mail* is an indispensable part of breakfast, as necessary to the start of the day as a shower and a cup of coffee.

Mr. Stevens' byline has appeared in *The Globe and Mail*, with one brief interruption, since he first joined the paper in 1962. Since that time he has worked his way journalistically upward through Canada's three levels of government. He has served *The Globe and Mail* as part of the Toronto City Hall Bureau, as Bureau Chief at Queen's Park and as Ottawa Columnist and Associate Editor. He is known to millions by his writings and today presents an opportunity for members of the Empire Club to put a face to the name we know so well.

Pulitzer Prize winning writer Theodore H. White, in his book *In Search of History*, described the work of a journalist with the following words:

> What a reporter like me could see was only what a man in a small boat can see of the ocean — ripples or whitecaps or great breakers, the surface as the wind moves it, not the powerful tides nor, underneath them, the irresistible sea currents.
>
> History is all those things — waves, tides and currents — and like the sea, no matter how tranquil the surface, it is never still. A sequence of events is like a series of waves, one crest following upon another; and the trick, for statesman and reporter alike, is to tell which crest is a surge of the tide and which a mere accident of the wind.

In the last twelve months Pierre Trudeau and Joe Clark, each in his turn, has ridden the tide, both its ebb and its flow. In each case, and as well for the last eighteen years, Geoffrey Stevens has been there to help his readers know better the mood of Canadians, the issues of government and the personalities and qualities of our political leaders.

With the elections of May 22, 1979 and February 18, 1980 still fresh in our minds, we are fortunate to have Mr. Stevens with us today to present his analysis of the period of history which, for some, has just been completed, and which for others, was just a beginning.

Ladies and gentlemen, please welcome the Ottawa Columnist and Associate Editor of *The Globe and Mail*, Geoffrey Stevens.

MR. STEVENS:

Ladies and gentlemen: Let me begin by saying I consider it an honour to be addressing the Empire Club today. It's both an honour — and, in my somewhat prejudiced view, a reward. This is not the first time I have been to a luncheon of The Empire Club of Canada. I have been here many times. Often, I have been perched in the balcony of the Canadian Room, taking feverish notes while some notable or other has dispensed noon-hour wisdom to your members. I have rarely missed a meeting when a national political leader has spoken to you during an election campaign. Mind you, during the electoral hostilities which terminated three days ago, I did not have the opportunity to hear Pierre Trudeau address you. But I understand that Mr. Trudeau, alone among the leaders, did not agree to address you. Now, I don't know why he didn't come. But I could venture a guess and, if I'm right, Mr. Trudeau's absence reflects no discredit at all on the Empire Club. Mr. Trudeau was also supposed to appear on the CTV interview show, *Question Period*. However, he cancelled out at the last minute — after being informed, I am told, that I would be one of the panelists. So, if the fear that I, a humble and harmless journalist, might be lurking in the audience was in any way responsible for the non-appearance of the former Prime Minister-elect, I offer my earnest apologies.

Joe Clark and Ed Broadbent were somewhat more courageous — or more desperate. Both of them appeared before the 1980 rerun of the annual Canadian federal general election — with me in the audience. Well, in the audience, sort of. When Prime Minister Clark spoke here a week ago, I was standing at the

Geoffrey Stevens,
Associate Editor, *The Globe and Mail*

back, leaning against the wall of the Canadian Room. When Mr. Broadbent was here, I had to sit on the floor, there being no wall space left to lean on. How I coveted the chairs you were sitting on that day. How I am enjoying myself today. It is a quadruple honour. Not only is it the first time I have been invited to address the Empire Club, it is the first time I have been invited to the head table, it is the first time I have been offered food. Not only is it the first time I have been offered food, it's the first time I've been permitted to sit down. From the bottom of my very weary legs, I thank you.

I probably shouldn't mention this, but I do notice that the room in which we are assembled today is, shall we say, somewhat smaller than the Canadian Room, the room you use when you have an interesting speaker. Please don't get me wrong. That's not a complaint. I can remember, back in 1960 or 1961, leading the debating team of the University of Western Ontario to Ithaca, N.Y., for a challenge debate against Cornell University, the Ivy League champions. My team-mates and I knew the moment we arrived on campus that it was not going to be a vintage evening. Right across the street from the small hall where the debate was to be held was a very large auditorium. It was jammed with students. There were loudspeakers set up so that the overflow outside could hear the address by one of the most sought-after speakers of the day — Senator William Fulbright. We went into the debate and it was even worse than we feared. The entire audience consisted of three people, co-eds, the girlfriends of the three debaters on the Cornell team. To cut a painful story short, the University of Western Ontario lost that debate — by a vote of three to zero. I have often wondered whether it was because of my lack of appeal to the opposite sex or my lack of ability as a public speaker. From subsequent experiences over the years, I have concluded it could have been either — or, more likely, both.

At any rate, I stand before you, twenty years later, an exhausted, forty-year-old cynic. I have just emerged from two months of the most depressing, most frustrating, most disturbing election campaign I have been involved in covering since my first, in 1962. That I happen to disagree with the result is neither here nor there. What disturbs me, profoundly, is the process by which that result was obtained.

Through no fault of yours and not too much fault, I hope, of mine, the title which I gave this speech many weeks ago turns out to be somewhat misleading. We can take out the question mark now — "From Trudeau to Clark to Trudeau." I cannot, however, talk to you in any intelligent way about some of the things I had hoped to talk about — the new government, what it will be like and how it will attempt to address the very real, very urgent problems that face the nation today and can reasonably be expected to arise in the next few months and years.

Prime Minister Clark and Mr. Broadbent did, I think, try to set out what they stood for, and where they want to go, in their speeches to you at the Empire Club. Mr. Broadbent's was the best that he made during the campaign — or, at least, the best one I heard him make. Mr. Clark's was, for him, a superior effort. There were a few minutes at the start of his speech when I though he was going to lapse into eloquence.

But not once during the campaign did Mr. Trudeau make a speech, anywhere, that came close to the ones made here by his opponents. I can't tell you where Mr. Trudeau wants to take this country in the next three or four years. I can't tell you because I don't know. And I don't know because Mr. Trudeau didn't say. He told us we don't have to worry about interest rates, that they will come down. How are they going to be brought down? "By the return of sound Liberal economic policies," Mr. Trudeau said. What those policies might be and how they might differ from his previous and presumably "sound" economic policies, which were not conspicuously successful in keeping interest rates down, I don't know. Mr. Trudeau didn't say. On energy pricing, he did say that the Liberals would not introduce the eighteen-cent increase in the excise tax on transportation fuels because the Liberals would not be proceeding with the Tories' mortgage-interest, property-tax credit scheme. I'm inclined to agree that this scheme ought not to be proceeded with, but it strikes me that the tax credit would have cost about $1.5 billion less this year than the oil subsidies for Eastern Canada. Where, if not from the excise tax, Mr. Trudeau is going to get the money for the oil subsidies, which are going to keep increasing dramatically as long as the world price keeps climbing, he didn't say.

He did say that a Liberal government would increase the domestic crude oil by less than the $4.00 per barrel — or fourteen cents a gallon — negotiated by Joe Clark and Peter Lougheed. He didn't say how much of an increase he had in mind or how he was going to get Premier Lougheed to accept it. If the new government acts like a gasoline station, I suppose we could see an increase of $3.99.9 a barrel this year. But I don't know, and neither, obviously, does Mr. Lougheed. Yesterday, however, he made this statement: "As far as we're concerned, we're not prepared to accept net benefits on an overall basis any less than the arrangement we were just about to conclude with the former Conservative government." Those words, "net benefits on an overall basis," are probably the clue. Mr. Trudeau may be able to negotiate an increase of, say, $3.50 a barrel for 1980, instead of $4.00, by granting a somewhat larger increase in subsequent years — say, $5.00 or $5.50 or $6.00 instead of the $4.50 proposed by the Clark government. But we don't know because Mr. Trudeau got through the campaign without saying.

Finally, to cut my lament short, Mr. Trudeau went through the entire campaign without saying anything significant about Quebec and the referendum. National unity is the subject closest to his heart — the subject he turned to in the closing days of the 1979 campaign when he realized the election was lost, anyway. For Pierre Trudeau to fight an entire election without talking about national unity is like a clergyman getting through a Sunday service without mentioning God, the church or the collection to be taken after the sermon.

But I didn't come here to refight the election, to protest the outcome or to demand a recount. But I am concerned and it's a concern I share with other journalists. My colleague and friend, Richard Gwyn of the *Toronto Star*, wrestled with himself in the later stages of the campaign. He said he wanted to write a column saying: "You people out there, why are you so stupid? Joe Clark isn't the nerd in this election. You, the public, are the nerds. Don't you see what is going on? Can't you see that the Liberals are stealing the election?" I don't know whether, in fact, he ever did write that piece. I sympathized with him but I didn't think it would do any good. A journalist who sets out to insult his readers runs the risk of finding himself without any readers.

My feeling was that the public was looking for a free ride, an escape from reality — the hard reality of higher energy prices and dwindling supplies. The Conservatives were stuck with an unpopular budget. The Liberals weren't. They could criticize Mr. Clark and the budget. They didn't set out Liberal alternatives because they didn't have to in order to win. In politics, the ballot box is the bottom line and, by that standard, the Liberal campaign was a success. How the public will react when it finds it can't change reality by changing governments is a problem the Liberals will have to worry about before long. For the moment, they have a virtually blank cheque. Because he revealed so little of his intentions during the campaign, Mr. Trudeau can pursue almost any course he wishes, do almost anything he wants, in the next few years. I wish I knew whether his course will turn out to be for the better or for the worse for Canada.

I am not very optimistic about this, but I do hope that the new government, with its unfettered mandate, will take a hard look at the way elections are conducted in this country and the thoroughly debilitating effects modern election campaigns are having on our political process.

My thoughts go back to last Saturday when I was in a small town in Quebec, having lunch with Marcel Masse, who at one time was Minister of Inter-Governmental Affairs in the Union Nationale government in Quebec. Mr. Masse was on a suicide mission, running for the Conservatives in the riding of Labelle.

I asked him how the campaign was going and I was startled by his vehemence. "How should I know?" he said. "I'm just a local candidate. I'm irrelevant. The only thing that matters is the image of the leader, the national campaign, the national issues and the national media coverage. I've always been a constituency guy, but there's no role for me any more."

Marcel Masse was dead right. By some sort of perverse genius, we have picked up the worst, or most inappropriate, aspects of American presidential politics and married them to an incompatible parliamentary system. The strength of the parliamentary system is the direct connection between the constituency and the executive. A minister is not only responsible to Parliament; he is accountable to his own constituents. He knows that if he comes up with bad policies, even if he gets them through Parliament, he still has to get them past his constituents or he will end up as an unemployed former MP — or, I suppose, a senator.

That's the theory. In practice, individual accountability to one's constituents has become largely meaningless. The way Joe Clark walks or what Pierre Trudeau shouts at a heckler is far more crucial to the election or re-election of a local candidate than the campaign the candidate wages or the work he may have done, as a Member of Parliament, over the preceding three or four years. Obviously, an exceptional candidate — a David Crombie or a Michael Wilson in Toronto or a Lloyd Axworthy in Winnipeg — can make a difference, but the average candidate would be spending his time equally usefully sitting on a beach in Florida for the campaign. Most MPs won't admit it because all of them like to think they got elected by dint of hard work or personal appeal. The backroom boys, however, say that the party, its policies and its organization count for about half of a candidate's support and that leadership or the image of leadership counts for about half. The average candidate is worth somewhere between three and five per cent. For proof of this proposition one need look no further than the disappearance of the entire Social Credit caucus, the most constituency-oriented Members of Parliament, or the defeat in Prince Edward Island of David MacDonald, who was as good an MP as I've come across in fifteen years in Ottawa.

Maybe I'm being naive or hopelessly idealistic but I think a Member of Parliament, your representative and mine, should be worth more than three per cent or five per cent in the political equation. In part, it's obvious self-interest. If we don't elect good members, we won't get good government.

We *may* get good government from the sort of election campaign we have just witnessed, but if we do it is, I submit, the result of good luck rather than the product of a well-functioning system. I've already told you — and have probably inflamed the Liberals in the audience — what I think of the campaign waged by Pierre Trudeau, the latter-day Lazarus whom Keith Davey, Jim Coutts and Marty Goldfarb have raised from the political grave. Political resurrections are not unknown in this country. Both Sir John A. Macdonald and William Lyon Mackenzie King managed it. But never has a leader managed to do it by admitting so little about his former policies and talking so little about his future policies — by pretending, for all practical purposes, that he had never been Prime Minister before.

This election was a triumph of image over reality. Mr. Trudeau did not win it, Mr. Clark lost it. He maintains he lost it because of his image and I would find it very hard to dispute his diagnosis. His government made some mistakes. It introduced an unpopular budget. It stumbled into a parliamentary defeat it could have avoided. But the mistakes were not outrageous ones. They were no greater than the mistakes in the early days of the first Pearson administration; many of you, I am sure, will recall Walter Gordon's first budget. The mistakes made by the Clark government were no more than one would reasonably expect from an inexperienced group of ministers taking office after their party had been in opposition for sixteen years.

Mistakes didn't kill Joe Clark. But what the mistakes did was to reinforce the image of incompetence. Mr. Clark was seen as a man who walked funny, who talked funny, who waved his hands funny — a man who couldn't cross the street without losing his suitcase or walking into a bayonet. The image, of course, predated this election. It was there in the 1979 election but Mr. Clark won despite it because Mr. Trudeau's negative image was even stronger. This time, Mr. Trudeau, by keeping himself under tight control, by not exposing himself to critical scrutiny, by keeping his appearances to an allowable minimum, was able to satisfy the voters — east of Manitoba, that is — that he was no longer the man they used to love to hate. Mr. Clark had no such luck. He was saddled with an albatross — a negative image which had been reinforced or confirmed during his eight months in office.

I can get as annoyed as Richard Gwyn does with the public for failing to see that the way a man looks or walks has nothing whatsoever to do with his ability to govern a country. But to blame the people is to evade responsibility and to avoid the real problem — the need to change the system.

The responsibility starts with the news media. We may not have created the image in the first place, but we nurtured and fed it. In particular, I blame television. Television is both the most compelling, the most believable and the most superficial medium. Television is the perfect vehicle for reinforcing images, for showing people the way other people have been conditioned to expect them to look and to act. It is a terrible vehicle for contradicting conventional wisdom, for revealing how people think and what they believe.

Because television is the most powerful, most compelling medium, all parties geared their campaigns to exploiting it. The Liberals were distinguished from their opponents only in the degree of their success. The leaders moved about the country from one staged event to the next, each event only serving to provide a fresh backdrop for the television cameras. For all the difference it would have made, they could have stayed in a television studio in Ottawa and made their set little speeches in front of a screen on which could have been flashed scenes of Moncton or Moose Jaw.

It is a truism that television brings individuals and communities closer together, that it breaks down boundaries of geography, language and race. Its impact on the Vietnam War was immense because for the first time death — American deaths, Vietnamese deaths — were brought, in living colour, into the homes of the American people.

But in situations where ideas, not physical action, are in conflict, television can have the opposite effect. It can set people further apart. Politicians on the television screen are more remote than politicians used to be when they stood on the back platform of a train or walked down Main Street, shaking hands and chatting. Thanks to television, more voters today have an opportunity to see national leaders. But, also thanks to television and television-oriented campaigns, they have less opportunity to see a leader in person, to touch him, talk to him, question him, to appraise his demeanour, to assess his credibility — in short, to form a personal impression of him.

Instead, it is the remote, impersonal impression of the television camera and producer — the image — that the voter is left with. Most voters accept the image uncritically. Television, and this is both the power and the danger of the medium, seems so believable. The viewer labours under the misapprehension that what he sees on television is more reliable, more truthful than what he reads in the newspaper. He believes he is hearing and seeing what the politician is actually saying, without the intermediary or filter of a reporter and editor. It's simply not true. The thirty-second clip he sees on television at eleven o'clock probably came from a speech that was at least thirty minutes long and, in all likelihood, it wasn't the most significant thirty seconds. They were the thirty seconds that the television reporter wanted to illustrate the point he, the reporter, was anxious to make. And most of the time, the viewer doesn't even get thirty seconds of the leader. How many times have you turned on the television set and seen a leader talking inaudibly in the background while, in the foreground, the television reporter reads the script he had written hours before the leader even stood up to make the speech the reporter is commenting on?

To go back to Marcel Masse's point, there is almost no room for the local candidate in a national television campaign. When a leader comes to his riding, the candidate may, if he's lucky, get to introduce him. But the introduction won't get on television. Most of the time, the candidate's only function is to smile and to applaud and to stay out of the line of the cameras. The local electors can see the irrelevance of their candidate. They know his name is only on the ballot as the vehicle by which they can vote, or not vote, for his party and his leader.

There's not much we can do about television coverage of campaigns. But we can do something about the worst exploitation of television by the political managers and manipulators. I'm talking about those objectionable television commercials which seek to build up one leader by tearing down his opponents. Under the Election Expenses Act of 1974, every broadcaster in the country was required to make six and a half hours of air time available for sale to the national political parties. To make it possible for all parties to exploit this powerful medium, half of the cost of purchasing air time is paid by the national treasury — by the taxpayer. This compensation provision made it possible for the Liberals and Conservatives in 1980 to spend roughly $2 million apiece, just under one-half of their total election expenditures, on radio and television time. The New Democrats were not all that far behind.

In retrospect, I think these provisions in the Election Expenses Act were a mistake. I would suggest that paid radio and television time be eliminated, that it be made illegal for broadcasters to sell or political parties to purchase air time. In its place, I would require every broadcaster to make available, as a condition of licence, a generous amount of free time, to be allocated among the parties by the Canadian Radio-Television and Telecommunications Commission. Further, I suggest that free time be made available in segments no shorter than five minutes, to force the parties and the leaders to talk to voters intelligently, to address themselves to issues, rather than, as at present, to air slick, superficial spot commercials which tell us nothing about a party's policies and virtually nothing about its own leader's abilities, but a great deal about what's wrong, or alleged to be wrong, with the other fellows.

To complete my package of television-campaign reforms, I would propose that the Broadcasting Act and the Canada Elections Act be amended to provide that networks set aside, say, two hours in the final two weeks of the campaign for a television debate among the leaders of any political party which obtained more than fifteen per cent of the popular vote in the previous federal election. It would be extremely difficult, politically, for a leader to refuse to debate if it were written in law.

Let me turn briefly to another problem mentioned by Marcel Masse — public opinion polls. I don't agree with opinion researchers that the polls do not influence voter behaviour. Most politicians don't agree with that either. I believe that in places where partisanship is not deeply imbedded, in Southern Ontario, for example, the polls have a profound influence. Particularly in an election where voters are anxious for political stability and a respite from more elections, they are apt to swing to the party they believe is going to win nationally. I think this happened in Toronto, in Ontario, on Monday.

There would be no great objection if the polls were accurate. But some of them are wildly wrong. The Liberals took almost eleven percentage points more of the popular vote across the country than the Conservatives did on Monday. This spread was accurately forecast by the CTV network in its final pre-election poll broadcast last weekend. CTV put the gap at ten points, which was certainly well within the legitimate range of error. But the Gallup Poll, also published last weekend, put the spread at twenty points. Their figures were outside the range of error of plus or minus four points claimed by the Gallup organization.

There were other, worse, offenders and you are all aware of some of them. We've never had as many polls as we had in this election. Polling had become the latest fad. A few years ago, thanks to Woodward and Bernstein, every kid who knew how to operate a tape recorder thought he could be a journalist. Today, everyone who has access to pencil and paper thinks he can be a pollster. We've got community colleges taking what purport to be scientific voter-intention polls. They are nothing of the sort, but they find their way into print and onto the air waves. *The Globe and Mail*, I'm embarrassed to say, published one of these college "polls" in the final stages of the campaign. I venture to predict that by the time the next election comes along, we'll have kids in public schools taking polls — and being taken seriously. Unless something is done.

But what to do? The taking and publishing of political polls has been banned in British Columbia during provincial elections. I don't like that answer. It interferes with freedom of expression and freedom of the press. I don't, for example, want anyone telling me I can't go out and knock on doors, as I did in this campaign in Halifax, Peterborough and Toronto, and that I can't report what I hear. I think I'm responsible enough to put the responses in context and not to claim they mean more than they do.

Better than outlawing polls, I think, would be self-regulation of the polling industry. In Ontario, we have such professional regulatory bodies as the Ontario College of Physicians and Surgeons and the Law Society of Upper Canada to regulate the medical and legal professions. I see no reason why we could not have, recognized in federal law, a National Polling Council. The industry would choose its own representatives. They would draw up, and publish, standards for sampling, questioning and weighting the results. No one would be forced to join the Council, but if he didn't his work would not bear the sanction — the Good Housekeeping Seal of Approval, if you like —of his profession or industry. This way, at least the public and the press would know whether it was dealing with a relatively reliable or probably unreliable polling outfit and could assess its findings accordingly.

Finally, let me turn to one further problem in our political system as it has evolved — the disappearance of the truly national political party. The Conservatives are reduced to just one seat out of seventy-five in Quebec. The Liberals have just two of seventy-seven west of Ontario and none of sixty-three west of Manitoba. The situation is more than unhealthy. It increases regional tensions. It strains the unity of the country. It threatens the fabric of Confederation.

I have always been an opponent of proportional representation — of any of those schemes to award seats in Parliament on the basis of popular vote, rather than on constituency results. I think it is important that MPs and ministers have constituents to whom they are accountable. It helps keep them honest. I've also argued that the real problem is not with the system, but with the political parties, that the Conservatives could win seats in Quebec if they would only get their act together. And that the Liberals could win in the west if only they would make the effort to understand western Canadians.

I'm not so sure any longer. I'm not sure the country can afford to wait while the Conservatives do something in Quebec — assuming it's possible — and the Liberals put their house in order in the west. Going back a couple of years, the Liberals and Conservatives proposed variations of Senate reform that would, in their view, have reduced the regional distortions in the House of Commons by strengthening the regional role of the Upper House. But that's not good enough. The west and Quebec need to be where the action and power is — in the Commons. Any attempt to increase the power of the Upper House, to make it equal in fact (as well as in constitutional theory) with the Lower House would be a prescription for rivalry, stalemate and legislative disaster.

I prefer the approach advocated by the New Democratic Party. The Commons could be increased by a hundred seats. These seats would be awarded to each party on the basis of its national popular vote and could be used to add members from whatever region or regions it chose. With Monday's results, the Liberals would get forty-four proportional representation members. They could, if they wished, use all forty-four seats for representatives from Western Canada. The Conservatives would get thirty-three and they could all be from Quebec. The New Democrats would get twenty and they might like to appoint some members from Quebec, the Atlantic Provinces, Northern Ontario and Alberta, all areas where they were shut out on Monday.

In summary, eliminate political advertising on radio and television. Make free time available in segments at least five minutes long. Institutionalize a national leaders' debate. Establish voluntary, but public, standards for opinion polling. Introduce a modified form of proportional representation.

These suggestions are not a cure-all. But I think they would make federal elections more enlightening and more reflective of reality and less of cracked-mirror imagery. They would ease the worst regional imbalances in Parliament. I am not optimistic that my proposals will be accepted. Ed Broadbent once called me a radical traditionalist, and I suspect these suggestions are too radical and not sufficiently traditional for the incoming government which, after all, won with the system as it is. But I think these ideas are worthy of consideration.

The thanks of the club were expressed to Mr. Stevens by Joseph H. Potts, a Past President of The Empire Club of Canada.

FEBRUARY 28, 1980

Islam: Myth and Reality

AN ADDRESS BY Dr. Hadia Dajani Shakeel,
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CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: Those of you who have had occasion to peruse our seventy-fifth anniversary yearbook will have found at the back two indexes: one an index of the more than 2,000 speakers who have addressed us during our three quarters of a century, the other a topical index of the 219 subjects that have been considered by the individuals who have stood at this lectern.

Surprisingly, given its spiritual, social and political significance, the topic of Islam has been dealt with only once at the Empire Club. And that was in 1923 when Dr. Samuel Zwemer spoke under the title, "The British Empire and Islam," a topic that brings back romantic memories of Gordon at Khartoum and Lawrence of Arabia. But images called up by the mention of names from the nineteenth and early twentieth centuries are not helpful if one is trying to understand current matters, such as the strategies of the energy-rich Persian Gulf states or the present internal turmoil in Iran or the circumstances that motivated the Soviet occupation of Afghanistan.

Islamic peoples are a powerful force, they are speaking daily with an ever louder, ever more influential voice and after fifty-seven years of silence from the Empire Club podium it is clearly time for us to hear again from an authority on the values of a community which influences our lives daily, and one whose influence will surely grow in the years ahead.

Fortunately, we have an internationally recognized authority on the subject working, only a subway ride away, at the University of Toronto's Department of Middle East and Islamic Studies. Her name is Dr. Hadia Dajani-Shakeel, an Associate Professor at the University of Toronto, and she is with us today as our guest of honour.

Dr. Shakeel is a distinguished scholar who earned her Bachelor of Arts and Master of Arts Degrees at the American University of Beirut and her Doctorate at the University of Michigan which she attended on a Fulbright Scholarship. Now a Canadian citizen, Dr. Shakeel lives in Toronto with her husband and three children.

Our guest of honour has just returned from Iran. Her trip, which was sponsored by the Iranian government, was organized to celebrate a number of Islamic events — the Islamic New Year, the Islamic Revolution and the birthday of the Prophet, Muhammad. Dr. Shakeel was one of just nine Canadians selected to participate as a delegate with five hundred others from around the world in a trip that provided her with opportunities to visit the holy cities, to meet with intellectuals and government officials and to walk in the streets of Tehran where so many of today's headlines originate.

It is a welcome opportunity for members of this club to host a guest whose academic training has made her knowledgeable on the history, the culture and the religion of the Middle East and whose recent travels have provided her with an update on current affairs in that complex region of the world.

It is my pleasure now to ask you to welcome Dr. Hadia Dajani-Shakeel who will address us on the topic, "Islam: Myth and Reality."

DR. SHAKEEL:

Decades of political, economic and religious changes in the Muslim world culminating in the Iranian Islamic revolution, the recent Grand Mosque rebellion in Saudi Arabia, the Camp David agreement and the tendency to normalize relations between Egypt and Israel; the oil policies of some Muslim countries and their impact on Western economies; these changes along with what has been seen recently as the resurgence of Islamic fundamentalism, the attempts to build the so-called "Islamic Bomb," and perhaps of special importance to us here, the ever increasing Muslim presence in Canada, the U.S. and Europe, have arrested global attention arousing concern about the rising tide of Islam. International responses to these happenings have been expressed in a variety of manners —ranging from threats of military intervention in some Muslim countries to counteract political upheaval and preserve Western interests in the area, to the actual invasion of Afghanistan by the Soviet Union, to talks of economic sanctions against some Muslim countries. On the positive side, more interest has been expressed in understanding the factors underlying these changes as well as the state of Islam and its future prospects, "This Eastern religion (which) has been influencing Western history since the conquest of Jerusalem and the mounting of the Christian Crusades." (*New York Times Magazine*, January 6, 1979)

Several committees have been formed in Europe and North America to study and report to governments and churches about the present state and future prospects of Islam. On the other hand, some concerned religious circles in areas with expanding Muslim communities have formed interfaith dialogue groups to promote a better understanding of Islam and other minority religions in a Christian majority environment. Recently, an international multi-religious organization — the World Conference on Religion for Peace, with branches in Canada — has set itself to promote co-operation among the world religious communities and defend religious groups in the face of international or local pressures. For example, in a meeting in Antwerp on November 14, 1979, the organization expressed "deep sorrow concerning recent events in Iran and the damage and distortion thereby caused to the image of Islam in Europe." In Toronto, a Christian-Muslim group has organized a project aimed at promoting religio-cultural understanding through the association of families from both groups of Canadian society.

While these committees and organizations have been attempting to bridge the historical gap between Muslim and Western countries, the media have mobilized all their resources — newspapers, novels, movies, radio and television — to report and analyze the situation in the Muslim world. The analysis has ranged from moderate to hostile, often caricaturing Islam and Muslims, and contributing intentionally or unintentionally to stereotyping and a negative image of the religion and its followers. In an article titled "Canadian Racism Finds New Target in Arab Peoples" (*The Toronto Star*, January 5, 1979), Rev. Timothy Foley, Rector of St. Thomas à Becket Anglican Church in Mississauga, noted that:

> The newest and most popular target of prejudice and racial stereotyping is the Arab peoples. Here the major sin is the sin of generalization. In our ignorance of geography and political realities of that part of the world, we tend to lump all Arab countries together

> with (the internationally discredited regimes of) Iran and Libya. Reports out of Iran often interchange the words "Arab" and "Muslim" for "Iranian." We read of "Arab mobs" and "Muslim fanatics."

He further adds:

> We gain insight into the psyche of a people by examining the content of their popular humour and music. And any sampling of that indicator in North America today reveals that Arabs are quickly replacing Poles, Jews and blacks as the primary butt of racial jokes.

In my presentation today, I will focus on the misconceptions about Islam and the Muslims in the West, and even among Muslims themselves. I shall attempt to clarify some of these common misconceptions, as objectively as possible, on the basis of the teachings of Islam and in the light of my personal observations and discussions with Muslim spiritual leaders during my recent visit to Iran. I assure you that while in Iran, I was equally critical of some Muslim views of the West, and often indulged in discussions trying to clarify some of the Muslims' misconceptions. For example, there is a tendency in the East to equate the West with materialism, ignoring the fact that this is the most superficial aspect of the West. In this, the West is perhaps partly to blame because it has shown greater concern in exporting its material rather than its real values to the area.

Regarding misconceptions about Islam my discussion will be confined to two areas: first, the Faith; and second, aspects of the Islamic Social System — the institutions of marriage and divorce, and the status of women.

Islam has often been labelled as a "fanatical," "militant" and "fatalistic" religion. Such terms which would ordinarily apply to individual interpretations or practices are used to characterize Islam. It has been portrayed as an absurd and, sometimes, incomprehensible religion. The Prophet Muhammad is referred to as the object of worship, rather than God.

What is Islam? It is a monotheistic and universal religion. For the Muslims at the present it has three closely related meanings: (a) it is an individual act of submission to God and joining the Muslim community; (b) Islam is the visible, historical entity, the complete system of faith and practice that was ordained by God, instituted by the Prophet and is now regulated by the Hadith (Prophet's sayings) and the Sharia (Islamic law); (c) The term Islam has come to be used, especially in modern times, to refer to the ideal visible entity or system of beliefs and practices Muslims are urged to strive to achieve. Islam in this sense is seen, not as something abstract, but as a potential historical reality.

In all its three meanings, Islam is seen as a complete way of life where individual, family and community aspects and also ritual, legal and political aspects are intertwined and inseparable.

The term Muslim is interpreted at different levels. He is any human being who, through the use of his intelligence and free will, accepts a divinely revealed law. The term Muslim refers to all creatures of the universe who accept "Divine Law" in the sense that they conform to the unbreakable laws, which the western world calls "laws of nature." The regularity of the universe proves in Muslim eyes the presence of the Divine Will to which all creatures are subservient and in fact, except for man, have no choice but to follow. Then there is the highest meaning of Muslim, which applies to the saint who has not only accepted a revelation but lives fully in conformity with the Divine Will.

Islam should not be incomprehensible to Christians and Jews, for it started in the same environment and was nourished by some common sources. As a universal religion, it conceived of itself as a continuation of God's earlier revelations. This is referred to in the following and other verses of the Quran:

> Say (O Muhammad): We believe in God and that which was revealed to us, and that which was revealed to Abraham and Ishmael and Isaac and Jacob and the tribes and that which was given to Moses and Jesus and to the Prophets from their Lord we make no distinction between any of them. And to him we submit. (III:83)

To discuss other facets of Islam might be too lengthy. However, I should mention here that despite some dogmatic differences with Christianity, the Quran admits that the closest religious group to the Muslims is the Christian, as indicated in the following:

> And you will find the nearest of them (mankind) in affection to those who believe (Muslims) those who say: Lo! we are Christians. That is because there are among them priests and monks and because they are not proud.

The place of Jesus and Mary are exalted in the Quran. In fact, Mary is the only woman referred to by name.

> And when the Angels said: O Mary! Lo! Allah has chosen you and made you pure, and has preferred you above (all) the women of creation.

If we set aside all theological discussion and argument it suffices to mention here that Islam has a well elaborated ethical code. Like the persistent emphasis on the love of humanity in Christianity, Islam emphasizes compassion. The concept of compassion is omnipresent in Islam. Allah is always the compassionate, the merciful, kind, compassionate and concerned about the welfare of humanity and its salvation and always ready to forgive rather than to take revenge. Unfortunately this aspect of Islam is even forgotten by Muslims:

> It is not righteousness that you turn your faces to the East and the West, but righteous is he who believes in Allah and the Last Day and the angels and the Scripture and the Prophets; and gives his wealth, for love of Him, to kinsfolk and orphans and the needy and the wayfarer and to those who ask, and to set slaves free; and observe proper worship and pay the poor due. And those who keep their treaty when they make one, and the patient in tribulation and adversity and time of stress. Such are they who are sincere. Such are the God fearing. (II:177)

According to recent statistics, Islam is presently the religion of 821.5 million, over a fifth of the human race, compared to one billion Christians. Africa has 224.2 million; Asia 575.3 million; Europe 20 million; North and South America and Australia, 2 million. The number of countries with over fifty per cent Muslim population is fifty-seven.

Islam is growing rapidly in Africa. Twenty-five years ago, it was estimated that one-in-four Africans was Muslim. By the early 1980s over half of the population of Africa will probably be Muslim.

Within the Islamic faith, there is diversity and variety of opinion as there is in Christianity. The two major sects of Islam are Sunnite and Shi'ite. The Sunnite (orthodox) commands the majority of Muslims and encompasses four schools of law with minor differences on some legal matters. The Shi'ite constitute five per cent of the world's Muslims.

The Shi'ites are divided into several schools of thought; the two most important are the Ithna 'Ashari (the twelvers), mainly in Iran, and the Isma'ili (or the seveners). Then there are the Zaydites, who are concentrated in the Yemen, and the Druze. Most of these sectarian groups are represented in Toronto.

The main difference between the Sunnites and the Shi'ites is on the question of Islamic leadership — the caliphate or Imamate. The Shi'ites believe that the earthly leader of the community is, as the deputy of God, deathless, has miraculously remained alive since his Ghayba (occultation), and will return like a true Messiah to fill the earth with justice and equity. The twelvers believe in *ghayba*, the disappearance of the Imam from the world, but the Isma'ilis don't. According to the Shi'ites, the Imam is the mediator between the human and the Divine, while the Sunnites believe that the individual stands directly face to face with God, with no need for an intermediary.

Understanding the difference between the Sunnite and Shi'ite concepts of leadership is essential for understanding any future Islamic republic, and the role of the religious leaders in any Islamic revolution. Shi'ite leadership is more revolutionary, organized and influential.

There are many variations in religious practices among the Muslims. Being in contact with a wide variety of world cultures, Islam has assimilated some elements of those cultures, thus acquiring a folk colouring. For example, in some areas of Central Africa and Indonesia, folk Islam has assimilated some of the pagan practices of the area, while in Pakistan, India and Bangladesh it has been influenced, to some extent, by the Hindu culture. Some practices con-

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sidered Islamic by some ethnic groups may be considered un-Islamic by others. For example, during my trip to Turkey in 1976 I visited the shrine of the famous mystic scholar Jalal al-Din al-Rumi in Konya. While there I noticed in one of the halls a group of twelve men and women standing before a glass box, with their heads and hands raised, praying with tears in their eyes and muttering in single voice, "God is great."

The scene seemed very strange to me. I asked my hosts: What is in the box? They answered that it is believed that some of the Prophet's hair is preserved in the small box inside the glass. This kind of scene would be unthinkable in Saudi Arabia and could be punishable.

In my recent visit to Iran, I went to the Holy City of Meshhad, along with other international Islamic delegates. In the Grand Mosque in Meshhad, where one of the Shi'i Imam is buried, groups and individuals were praying in front of the shrine. Some were holding onto the metal screen which surrounds the shrine, weeping and crying. While watching in a corner, an Indonesian journalist approached me and said: "Are you a Sunni?" I answered, "I am a Muslim." He said, "Praise be to God." Then he pointed to the worshippers who were holding onto the screen and said, "Is this Islam? Oh no! This is heresy. This is a totally un-Islamic practice." I kept silent, respecting the feelings of the worshippers. Then he pointed to a group of women wearing the black "chador" and asked, "Why are all these women clad in black shrouds? What has befallen Islam?" I couldn't help but laugh and told him that all these women happen to be members of the North American delegation, and that this might be the first time that they were wearing the "chador." "Thank God," he said, "we do not have chadors in Indonesia. There is an Islamic saying: God is beautiful and He loves beauty." I asked him about women's attire in Indonesia. He started describing the varieties of dresses, including some which reveal the central part of the body. I told him that that is un-Islamic too. To this he retorted: "Didn't I tell you that God is beautiful and He loves beauty?" He had hardly finished his comment when a delegate from the Persian Gulf area passed by me and said: "Lady! some strands of your hair are showing. Why don't you cover them."

I will now describe some aspects of the Islamic social system.

Muslim women are a favourite target of the Western media. Two types of women are usually portrayed: the Hollywood type of seductress and the veiled (*Maclean's Magazine*, February 26, 1979). Although nobody can deny or ignore the existence of both types, the majority of Muslim women, who belong to neither, are totally ignored. The inferior status of women is often exaggerated. One paper wrote once that women in Saudi Arabia are scarcely better than camels. *Maclean's*, reporting about Muslims in Europe, says: "Many observe the usual strict regimen and some carry out their own justice. While adultrous couples are not stoned or beheaded, they are sometimes hacked up or gunned down."

One of the popular images of the marriage institution in Islam is the practice of polygamy. Muslim men are often portrayed as contracting four wives in marriage. (I assure you if this were true, the world population would have exploded long ago.) The roots of this image, however, are in the following verse of the Quran which has often been misinterpreted, and sometimes misused by some Muslim men as well.

> And if you fear that you will not deal fairly by the Orphans, marry of the women, who seem good to you, two or three or four, and if you fear that you cannot do justice (to so many) then only one.

These verses were revealed within an historical context, following the partial defeat of the Muslims in an early battle, resulting in a great loss of males and the survival of a large number of widows and orphans. Thus the revelation aimed at protecting the survivors at that particular time. At the same time, it has set a prohibition and a limitation of one wife in order to prevent Muslims contracting that number of wives at any time if the conditions are not fulfilled. This prohibition has been used by Islamic courts in most of the Muslim world, to restrict the husband's freedom to marry a second wife.

Divorce is made to seem very easy in Islam and to be in the hands of the man. All the man has to do is to say: "I divorce thee, I divorce thee, I divorce thee." This makes the family institution appear very fragile and loose in Islam, but the truth is the contrary of this.

According to Islam, marriage is a civil contract dissoluble by both parties, only in extreme situations. The woman has the right to seek divorce in case of the failure of the marriage, provided she stipulates her right to do so in the marriage contract. (Many Muslim women are not aware of this fact.) The roles and rights and responsibilities of each member of the family are well defined in Islam. All one has to do is to look thoroughly into these matters which emphasize the preservation of the family.

Much could be said about this. However, I shall merely mention here that there are misconceptions about the status and rights of women in the East as there are in the West. This is the result of a literal interpretation of the text, and the influence of cultural backgrounds.

In Toronto, I was reminded by some Muslim men for the first time in my life that I was inferior because I was a woman. This was in November 1979 when I went along with my husband and children to celebrate the religious feast marking the annual Islamic pilgrimage and the inauguration of the new Islamic mosque on Bayview in Thornhill. At the entrance of the mosque my husband and children were escorted upstairs to the main hall to perform the prayer while I was told that the women's place was in the basement of the mosque. I asked the ushers: "Why shouldn't I celebrate with my family and the Muslim community?" I was shocked to hear the answer: "This is the place of God. Men and women are not allowed to worship here together." It immediately struck me that I was being prevented from worshipping with other Muslims in Toronto while at the very same time Muslims from all over the world were worshipping, men and women beside each other, in Mecca, the birthplace and centre of Islam.

I happened to mention this incident to a friend of mine who laughed with amusement, saying, "You might feel better if I told you that women were allowed only recently into the Empire Club!"

The thanks of the club were expressed to Dr. Dajani-Shakeel by R. Bredin Stapells, Q.C., a Past President of The Empire Club of Canada.

MARCH 6, 1980

Canada after February 18, 1980

AN ADDRESS BY The Honourable Roy McMurtry,
ATTORNEY GENERAL FOR THE
PROVINCE OF ONTARIO

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: Our guest of honour today, the Honourable Roy McMurtry, Attorney General for the Province of Ontario, was first scheduled to address the Empire Club several weeks ago. However, when the leader of a national political party approached the club to see if we could offer him a platform during the election campaign on the date already held for Mr. McMurtry we approached the Attorney General's office to see if he would agree to a delay. Not surprisingly, he graciously accepted a postponement.

For those of you in the audience who cynically think that Roy McMurtry played politics and stood aside to accommodate the leader of his national party, Joe Clark, I hasten to tell you that you are incorrect. Roy McMurtry's postponement was to enable us to provide a forum for Ed Broadbent.

And because it is important to us as an organization to be viewed in the community as a platform available to all major political parties, on behalf of the members of the club I begin today by thanking Roy McMurtry for agreeing to delay his visit so that we could hear from the New Democrats during the recently concluded general election.

Roland Roy McMurtry is one of Toronto's best known native sons. He was born and raised and educated in this city. Since his graduation from the University of Toronto and Osgoode Hall and his call to the Bar he has practised law in Toronto and served his community as a Member of the Legislative Assembly and his province as Attorney General.

Mr. McMurtry is one of those rare politicians who had a high profile before entering public office. While at the University of Toronto he was a prominent athlete. Through his law practice he established a reputation, not only as a skilled professional, but also as a champion of such diverse causes as support for the Metro Police Force and opponent of the 1970 imposition of the War Measures Act. Over the years the *Toronto Sun* has published columns by many politicians who, on their defeat, became journalists. Roy McMurtry reversed the pattern — he was a *Sun* columnist first and a politician second.

Mr McMurtry is an issue-oriented Attorney General who has spoken out on such matters as violence in hockey, drinking drivers and seat belts. On each issue he has sparked a public debate. His view of his role as a legislator was included in an article in the February 7, 1976 edition of the *Canadian Magazine*:

> I'm not trying to ram laws down people's throats, but my job — as I see it — is to raise issues of concern and get people thinking about them, talking about them. An expression of opinion, that's what I want. I don't believe that the purpose of getting elected is to get re-elected. I don't believe in burying my convictions in the interests of not offending somebody or hurting the party. To hell with that, I was elected to do a job, to lead.

Mr. McMurtry is also a well-regarded weekend painter who has won compliments from artist Harold Town.

His judgment on the Attorney General's paintings confirms that our guest's artistic style is much the same as his approach to politics. Mr. Town observed: "McMurtry's work prefers direct colour and avoids muddy middle tones."

Ladies and gentlemen, the Empire Club last heard from an Ontario Attorney General in 1951 when we were addressed by one of Mr. McMurtry's distinguished predecessors, the Honourable Dana Porter. It is our privilege to again be host to our province's chief law enforcement officer and I ask you to welcome him now, the Honourable R. Roy McMurtry who will address us on the topic "Canada After February 18, 1980."

THE HONOURABLE R. ROY MCMURTRY: Mr. President, distinguished guests, ladies and gentlemen, thank you for that welcome. I am delighted to have the opportunity to address the Empire Club.

I am told by those familiar with the history of the Empire Club that though you have provincial politicians as guest speakers fairly frequently, only very occasionally have you let an Attorney General address you. I admit that we do constitute a unique breed among politicians. Indeed it has been almost thirty years since an Ontario Attorney General has spoken here. In 1951, the Honourable Dana Porter addressed the club on the subject "What's Wrong with the Canadian Constitution?" Plus ça change, plus c'est la même chose. Thirty years later and we are still talking about the same question.

Nevertheless, one of the interesting phenomena of the recent election was that while our nation is facing one of the most formidable challenges in our history, no less than the future of our Confederation, no leader really wanted to talk about it. Certainly historians will reflect on the curious fact that the electorate appeared much more interested in whether or not they were going to pay eighteen cents more a gallon.

Certainly in many people's minds the future of Canada is a tired subject. They are weary of calls for change and bored with talk of a new constitutional bargain. Doubting a clear solution to the nation's ills, they start to doubt whether indeed there is a real problem which requires a solution. That attitude was found repeatedly by Mr. Robarts and Mr. Pépin in their study.

And since February 18, I detect a troubling mood within Canada, a mood which to me is disquieting and dangerous. The mood appears to be a weary resignation in the face of the problem of a nation divided. A party division in the House of Commons is being projected by many into an apparent national schism.

But this resignation is a form of complacency that we simply cannot afford. Firstly because it can deny the will to change. But more importantly because it may encourage politicians throughout Canada to take rigid, inflexible attitudes to change. If each government makes its own particular concerns non-negotiable items at any conference table, complete frustration and immobility will result. The temptation to play confrontation politics, to play to the grandstand, is the worrying consequence.

To the Parti Québécois, such an attitude in the rest of Canada is an invaluable weapon. Mr. Lévesque's rhetoric is almost plausible and often reassuring to his audiences. His speech at this club a few weeks ago was a masterly demonstration of how he can charm an audience, how he can sugar-coat the dismemberment of a nation.

Yet we here all believe that our future lies together, that despite our cultural and linguistic differences, despite the rigours of climate and the tensions of regional disparity, we will continue to share a common destiny. This destiny has often demanded courage, compromise and tolerance from us all and that simply is the record of our nation's history. In this I am reminded of Ernest Renan's classic definition of a nation: "A nation is a soul, a spiritual principle, to have a common glory in the past, a common will in the present. To have done great things together, to want to do them again — these are the conditions for the existence of a nation."

These are not easy days for Canada or Canadians. Sometimes it seems as if all that we have built together, the institutions and traditions which we cherish, are being called into question. Our national fabric is under attack. The strains of Confederation are felt everywhere, in our sister province of Quebec, in the bustling, energy-rich west, in the Atlantic Provinces where grievances descend from generation to generation, and in the cold frontiers of the north.

We are all of us called to rise to a formidable challenge — a challenge which will require the utmost sympathy and goodwill. It is, indeed, the challenge of preserving and strengthening our nation. We often speak as if this is a question that comprehends simply the making of a new constitutional settlement, and the enactment of a truly Canadian constitution. But, of course, it's much more than that. A new constitution is important. But it's simply an outward and visible sign of our efforts to strengthen Canada. Any written constitution is essentially a legal document that must rest upon and gain its force from the acceptance and generosity of each individual Canadian.

One of our great constitutional scholars, Dr. J. Alex Corry, put it well recently. He said:

> What can we reasonably expect a constitution to do for us? First, it is never a guarantee of good government. If the constitution is a good one, in the sense of fitting well with the balance of opinions and attitudes in the country,

> it makes good government that much easier to achieve. *But the main service of a good constitution is to put obstacles in the way of bad government.* If the constitution safeguards an area of freedom that is generally congenial to the people and gives them the means and processes for asserting their rights, an alert people eager to conserve their freedoms will use the constitution to thwart bad government. But a stream cannot rise higher than its source, and a people not capable of governing themselves well will not rise to the opportunities a good constitution affords.

The important thing is perhaps not so much the elegance or the technical virtuosity of a new constitutional arrangement, but whether or not we can make it work and whether or not we want to make it work. The Fathers of Confederation put together a constitutional instrument which no one thought perfect. Yet it has worked because they and successive generations have made it work. With a few changes and many working adjustments, our constitution has served us pretty well for over a hundred years. It has not always been easy. It has involved conflict. It has involved hard bargaining. And above all it has involved compromise and accommodation.

A new constitution is important as a symbol of our will to live together. At the same time meaningful progress need not wait for the grand design of a new constitution. If the will to change is truly there, much can be done by normal political and legislative action so long as the spirit of co-operation prevails. If our constitution reflects any single set of principles, they are principles of accommodation and compromise. It was clear in 1867, as it is today, that Canada could survive only with the consent of each region, each major cultural group, in each province. That basic and

The Honourable Roy McMurtry,
Attorney General for the Province of Ontario

continuing historical fact means now, as it did then, that we must be willing to share fairly in the burdens as well as the benefits of the partnership we call Confederation.

We can change the letter of constitutional law as much as we like, but unless we rekindle the fundamental spirit of compromise, co-operation and accommodation, any new constitution, any new arrangement for Confederation, may well be an empty form of words.

A good friend and colleague of mine, Roy Romanow, Attorney General of Saskatchewan, put it well recently, talking of the slow and arduous process of reshaping our constitution. He said: "I know how difficult it is to generate public enthusiasm for such a slow process so lacking in drama. It seems like a very dull way to revive a nation. Yet this is exactly how Canada was born. It was born through accommodation and compromise. It was born through hard bargaining on the economic, social and cultural realities of the time. Perhaps it really is an uniquely Canadian approach to nation-building."

The February 18 election marked a new stage in our political development. It also underscored the difficulty which all our political parties have in making themselves truly national, in establishing their ability to speak for every province and region.

This difficulty, added to the traditional "Bunker mentality" of the Ottawa bureaucracy, certainly does present a grave potential for the exacerbation of regional differences and tensions. While constitutional reform must continue to be a major goal, its achievement will be of little value if it is not accompanied by a fundamental change in attitude, not only in Ottawa with respect to the provinces but how the provinces themselves view one another and Ottawa.

Firstly, the federal government has demonstrated enormous difficulty over the years in recognizing the maturing of the provincial governments. This problem is undoubtedly aggravated by the essentially inward-looking attitude of a bureaucracy that "is the only game in town."

While I do not wish to be overly partisan on this occasion, the fact is that the federal bureaucracy has not changed fundamentally for most of this century. One can only express the hope that the re-election of the present government after so brief an interregnum will not encourage the perpetuation of an enormous amount of insensitivity to the fundamental diversity of our nation. At the same time political leaders in all provinces must demonstrate a greater capacity to cool the rhetoric, whether it relates to the federal government or to one another.

As well as toning down the rhetoric, it is also essential that provincial politicians communicate not only more with one another but perhaps more importantly with the citizens of all provinces. I find it rather ironic that members of the P.Q. government have probably spoken in more provinces than have members of the other nine provincial governments in total.

The recent election has certainly increased the level of regional tension. We hear angry voices in the west, and I can understand their anger. I've talked to westerners about the remoteness of Ottawa and about the grievances which they've felt almost since they entered Confederation. I've talked to Newfoundlanders about their economic dependence and the fact that thousands of their sons and daughters have to leave home for the mainland for jobs. Now with an oil boom of enormous potential off their coast, some Newfoundlanders are talking about closing their borders to our sons and daughters who would find employment there.

What we have in these cases is a frightening mood of revenge, of punishment, for real and imagined sins of the past. Too often those grievances seem to be elevated into a conspiracy theory of Confederation, with Bay Street, Ottawa and Montreal combined to deprive the rest of Canada of its inheritance. That's nonsense and we should say so.

We in Ontario have no proprietary notions about the economic and political decision-making that governs Canada. I believe that we see our role as that of providing balance, leadership, and above all, in shaping and encouraging the mood of reconciliation so vital to national survival. Ontario and Quebec share some historical relationships which are critical in cultural and social terms to the ultimate success of the Canadian partnership. Quebec, Ontario and Alberta share some mutual economic dependencies which are critical to national viability.

Certainly, we in Ontario have always known of the strains and stresses that have faced Confederation and we will carry at least our share of the responsibility in resolving these challenges. Our position, therefore, will continue to be relatively straightforward. Every province is our friend. All share with us a common destiny with Canada. We share a common purpose and there also is a common link to our aspirations. The challenge for Ontario and for all Canadians lies in our building a common front on the issues of understanding, minority rights, and national reconciliation.

We've got to abandon old myths and concentrate on what we can do well together, and be resolute in keeping our eye firmly on the larger horizon. Sensitivity, tolerance and understanding must be the watchwords in Confederation after February 18.

I cannot emphasize too strongly that this fine country of ours is not an abstraction, and should not be spoken of that way, for it is filled with good people the majority of whom I am confident are eager to find and affirm constructive ways of living together in all their rich diversity.

I worry, however, about some widely circulating myths which I see cropping up far too often, in language that is grossly distorted, and in a manner that is so careless, to put it charitably, that it promotes deeper misunderstanding precisely at the point that we should be cultivating greater sensitivity towards one another. We all know that the last few years in our country have been no picnic. The world started to shift rather dramatically around us, and in retrospect Canada has probably not responded to these significant changes in a sufficiently vigorous and imaginative way. But internally, domestically, we sure went to town on each other. Ironically, we showed a lot of vigour and imagination in that department!

Perhaps it is an old custom among some Canadians to have a real go at one another when the going gets tough. And we have had some great wrangles in the past few years — be they over resources, languages, unemployment, rising prices and falling real incomes. You name it. We've wrangled about it.

Grievous times can produce grievous words. I understand that and as no one promised me a bed of roses in public life I also understand the difficulty in finding an acceptable consensus on thorny issues over which reasonable people can and do disagree.

But when one has said all that, then perhaps we can reflect that it is time for responsible people to pick up the pieces, and gently but firmly to begin to repair a treasured possession — in this case, our country and all its people who have been given the privilege of living in it.

Now is not the time for politicians or governments to adopt inflexible positions, or to confront one another in the hope of satisfying a parochial constituency. This is 1980. The stakes are too high. This form of posturing must be avoided at all costs by all levels of government. Now is the time when all governments must look to positive solutions to their problems and redefine their particular identity in the national mosaic.

Where does Ontario stand? Ontario's position is clear. Ontario maintains an open and flexible attitude to confederation. We are unbending in our dedication to the integrity of Canada, and we will not be parties to the dismemberment of our nation, either by the secession of a province, or by the evisceration of that central authority which is vital to national economic and social progress.

On the economic front we have proposed reforms to make sure that Confederation works to enhance the development of our potential in all regions, rather than hinder it, including a precise definition of the powers needed by the federal government to run the national economy.

We have asked for formal recognition of basic human rights, including language rights, for all Canadians.

We think a new constitution should set out clearly provincial ownership and legislative power over natural resources.

We have asked for a clarification of the roles and responsibilities of the two levels of government together with some flexibility to accommodate differing provincial goals and to eliminate overlap, waste and confusion.

Ontario's commitment to reform is a broad one. It shows unequivocally that Ontario feels that Canada's parts can be strengthened, while at the same time the nation as a whole must be truly effective in those areas of concern which touch us all.

In a country as regionally diverse as Canada, building the future must be based on working out joint solutions. We believe that our system of federalism is flexible and adaptable, and can meet reasonable demands from the various regions of the country, while at the same time leaving the federal government with sufficient authority to protect and enhance Canada's interests in the world and our common interests at home.

We in Ontario can and do sympathize with many of the concerns expressed by other provinces. We can support the direction of the proposals made by the Quebec Liberal party which offer the possibility of a new kind of relationship, while preserving the overall structure of Canada. The debate currently taking place in the Assemblée Nationale on the referendum question clearly demonstrates that there is ample ground for innovation between the extremes of sovereignty association with its unknown future, and the sterility of the status quo.

We face the need to develop a new model of Canada, which allows each region enough flexibility to nurture its own special identity and culture, and which maintains a strong central government fully capable of pursuing the national interest. We must find ways of reconciling regionalism and the multiple identifications of people with a focus on the nation as the primary focus of loyalties and as the principal actor in the international sphere. The challenge is to accommodate diversity in unity.

Canada may yet show the world new ways of achieving this goal. The drama is still continuing to unfold, and we cannot guess at its conclusion. It is a drama of law, and of politics and of commitment too. That commitment is to something intangible — a spirit — something called Canada.

Let me end with the words of Professor Jacques Monet, a distinguished Canadian historian, and a Québécois: "The challenge of brotherhood, of an experiment that bursts through the limits of nationalism to embrace men of diverse ways and diverse tongues, is what it means to be a Canadian. You see, it is not a question of economics or common sense: it is a question of the heart."

The thanks of the club were expressed to Mr. McMurtry by Joseph H. Potts, a Past President of The Empire Club of Canada.

MARCH 13, 1980

Heart Disease: The Modern Plague

AN ADDRESS BY Dr. Terence Kavanagh,
MEDICAL DIRECTOR,
TORONTO REHABILITATION CENTRE

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: I am sure there are many people in this room today who will recall seeing this issue of *Financial Post Magazine* which is dated February 9, 1980. Two articles in it anticipated events on the March program of the Empire Club and served as introductions of our guest speakers. One is entitled "Brian Peckford Is No Newfie Joke." We will have living confirmation of that two weeks from now when Premier Peckford will be our guest of honour. The second is entitled "How to Survive Your Heart Attack," written by a gentleman who wrote from personal experience — experience not only with the anguish of a heart attack but also from the experience of participation in the program of the Toronto Rehabilitation Centre where today's guest of honour, Dr. Terence Kavanagh, is Medical Director and guiding spirit.

Dr. Kavanagh began his work at the Toronto Rehabilitation Centre, which is a public hospital, thirteen years ago. His specialty is rehabilitation medicine for which he has become internationally recognized. Recognition has come from many quarters. Within his profession it has resulted from the pioneering work done by Dr. Kavanagh on the medical aspects of his cardiac rehabilitation theory and from his contribution to the advancement of understanding of the psychological aspects of recovery programs. In the community at large Dr. Kavanagh's reputation has grown as "graduates" of his clinic have returned to their families and careers healthy and happy, and as they have gained acclaim as entrants in long distance endurance races.

The prologue to Dr. Terence Kavanagh's book, *Heart Attack? Counter Attack!*, tells the moving story of seven Toronto men, all heart attack victims and all Kavanagh patients, who decided to demonstrate the effectiveness of a methodical rehabilitation program by competing in the 1973 Boston marathon. Not only did the seven compete, but they also successfully completed the twenty-six mile course and became part of medical history by doing so. It is believed they are the first heart attack victims anywhere in the world to fulfill such an ambitious goal. One of the men, fifty-six years of age at the time, had suffered two heart attacks before becoming a Kavanagh patient. I am referring to Ken Smith whom I introduced to you a few moments ago as one of our head table guests and I say to him now that it is a pleasure for us to have one of the famous Boston seven here with us today.

Ladies and gentlemen, over the life of this club we have heard from many Canadians who have gained international reputations for their contributions to the medical sciences — the names of Best, Selye and Penfield are among them and today we have the honour of adding Kavanagh to the list.

Terence Kavanagh is a medical practitioner who teaches his patients the potential of their own bodies and the value of resolve. He clearly believes in the adage of poet John Dryden:

> Better to hunt in fields, for health unbought,
> Than to fee the doctor for a nauseous draught.

The wise, for cure, on exercise depend;
God never made his work for man to mend.

Dr. Kavanagh, in his practice, combines that opinion of poet Dryden with the humorous (but oh so reassuring) advice of a medical doctor named Ernest L. Wynder who wrote these words: "It should be the function of medicine to have people die young as late in life as possible."

Ladies and gentlemen, please welcome Dr. Terence Kavanagh, Medical Director of the Toronto Rehabilitation Centre, who will address us now on the topic: "Heart Disease: The Modern Plague."

DR. KAVANAGH:

Mr. Chairman, ladies and gentlemen: I feel myself singularly honoured to be given the opportunity to speak to you today. On the other hand, I must admit to being somewhat at a disadvantage. The successful after-dinner, or after-luncheon speaker usually has a light-hearted approach to his topic or, if his subject is a serious one, he can at least resort to the time-honoured custom of the introductory joke or two to warm up the listeners. My problem is two-fold — I mean, how light-hearted can you get with a title like "Heart Disease: The Modern Plague"? As for the introductory joke bit, I have never in my life been able to remember a punch line, so that's out!

I should also explain that the bulk of my speaking experience to date has been in the areas of science and medicine. The format used there, as many of you know, is not at all suitable for these surroundings. A typical scientific presentation commences with a short mumbled introduction by the chairman who often mispronounces your name (which, incidentally, has already been misspelled in the program), after which you bob up on the podium and, before the audience has had a chance to catch even a glimpse of your face, you immediately ask for "lights out." This plunges the hall into darkness, and your disembodied voice describes a series of slides which are projected on the screen at the speed of a subliminal advertisement. The slides themselves usually contain a mass of minutely printed statistical data, totally impossible to read. As a matter of fact, the seasoned, sophisticated medical lecturer will even draw attention to this fact, laconically remarking, "I realize that you can't possibly read all the material on this slide, but you really don't have to; I will summarize it for you briefly." He then goes on to pick out those figures which support his argument while ignoring those which don't!

Question time is really no problem, since the majority of questions are what we call "self-aggrandizing queries." These usually come from individuals who are fully equipped with their own set of slides and usually commence by saying, "Dr. Kavanagh, I found your comments most interesting, but I think it only fair to say that my own work has some direct bearing on yours and, with the audience's and the chairman's permission, I would like to refer briefly to my own findings; I happen to have some of the essential data with me, so if the projectionist wouldn't mind, etc., etc., etc."

As a matter of fact, I should be honest and tell you that I have developed in recent years a reputation for being a reasonably good performer when addressing the lay public on this matter of "Heart Disease: The Modern Plague"! To be perfectly fair, however, I have to admit to adopting rather despicable tactics in order to achieve even a modicum of success. The essence of the thing, of course, is to commence with a statement which sends a bolt of fear through your typical post-luncheon listener — the obese, middle-aged, heavily-stressed, cigarette-smoking businessman — something like, "Every male over the age of forty-five in this room has a one in three chance of dying from a heart attack!"

or, "Did you know that coronary artery disease is the major killer, responsible for about three-quarters of a million deaths a year in North America alone, and about half of these are so-called 'sudden deaths'?"; or, "About a quarter of all the cases of individuals suffering from disease of their coronary arteries have sudden death as their first, last and only symptom of the disease"; or, "Of the people who do suffer a heart attack, only half survive"; or, "The disease costs Canada some two billion dollars a year and is responsible for occupying one-fifth of all the acute general hospital beds." All of this I *could* tell you but, since you are not only friends and, indeed, fellow club members, I prefer not to use such rather shameful tactics to jolt you into a state of arousal.

Neither would I shake your confidence in the medical profession by telling you that we do not really know the exact cause of "atherosclerosis," the medical term for the disease. Precisely why those small fatty patches form throughout the blood vessels of the body and, with such devastating effects in the small coronary arteries which supply blood to the heart muscle, we cannot be sure. All that we can say at this stage is that there are a number of risk factors which are associated with the development of the condition. These are: a diet high in animal fat, cigarette-smoking, untreated high blood pressure, lack of exercise, and possibly the effects of environmental stress. In short, we are obviously dealing with a modern life-style disease.

Interestingly, in the United States there has been a slow decline in the incidence of coronary artery disease in the past ten years or so. The drop is, as yet, insufficient (about 1.5 per cent a year) to make much impression on the disease's position as the leading killer. To be honest, we cannot satisfactorily explain this decline, and, so the Americans are in danger of spending more money trying to find out what they *did* right than they have spent in trying to find out what they *should* have done right.

So, we have a disease process which is, to this day, still responsible for more than forty-six per cent of all deaths. Its history is intriguing. It has been described as an entity as early as 1768 by the famous English physician Heberden, but the average medical text book of the 1920s would probably not have devoted to it more than a paragraph or so. It usually occurred in individuals over the age of sixty, and was invariably fatal. After the First World War, it began to appear in younger and younger age groups, and, in complete defiance of our modern attitudes towards sexual equality, became very much a male-oriented disease, killing men as opposed to women in the ratio of five to one and up. Characteristically, it accompanies affluence.

Treatment, of course, has changed considerably over the years. When I was a student, hospitalization was prolonged. If you were lucky enough to survive your heart attack, then you could expect to be six weeks in hospital, after which you "took it easy" for about three months, and often it was six months before you were back at work. Now we know how detrimental this prolonged period of bed rest was for the patient, both physically and psychologically. Not only that, but this concept that the diseased heart needed rest and that too early mobilization might cause rupture of the scarred wall, successfully prevented any attempt at early and active rehabilitation.

Today, the average period of hospitalization is ten days to two weeks. We have new, more aggressive concepts of acute coronary care. We aim to get the patient to the hospital as quickly as possible where we can monitor and control disturbances in his heart rhythm. If the heart stops, we can start it again. We can arrest the degree of damage being done to heart muscle, and we can treat the heart which begins to fail. The com-

Dr. Terence Kavanagh,
Medical Director, Toronto Rehabilitation Centre

plexity and sophistication of our equipment is beyond the wildest dreams of the physician who retired from practice even as recently as the 1950s, with electronic monitors which can observe the heart beat, pacemakers which can control it, drugs which can speed it or slow it; the list is endless. Despite all this, however, many patients die before they reach hospital, others within minutes or hours of arriving. The overall picture, while varying from centre to centre, nevertheless still continues to show a fifty per cent death rate within the first four weeks.

Obviously, in so far as the primary attack is concerned, our aim should be one of prevention rather than cure. This involves educating physicians and the public about the risk factors I have mentioned — the dangers of smoking, the necessity to be treated for high blood pressure, the adoption of prudent dietary habits with a reduction in the intake of animal fat, the necessity for regular physical exercise. In addition to all of this, prevention requires research in order for us to discover the true mechanism by which the primary cause of the disease, atherosclerosis, is developing at an earlier and earlier age.

It always surprises visitors to our exercise classes to see that we really have a number of patients under the age of thirty; the youngest so far is twenty-four! Thirty years ago, there were many who considered that atherosclerosis was inevitable. Such a nihilistic approach is now totally obsolete. Scientists have been able to show regression of the fatty patches in the walls of the arteries by animal studies, and, more recently, in a limited number of studies on humans.

But if, indeed, this condition is due to interaction of a number of risk factors, a so-called multifactorial disease, as opposed to the simple "germ" disease of a previous era, then the ultimate responsibility for its elimination will rest with you. I believe that all Canadians have to assume responsibility for their health maintenance behaviour, and to attempt to reduce coronary risk factors is not incompatible with a satisfying, enjoyable life style. The active, lean, non-smoking businessman feels as good as he looks. Success is no longer measured by the size of your waistline!

I now want to move to my own particular area of interest and work — the rehabilitation of the heart attack survivor. One might wonder why rehabilitation is necessary. After all, hasn't the patient recovered? It's not as if he has lost an arm or a leg and required training in the use of an artificial limb. True, but then I can assure you that the after-effects of the heart attack, although not so obvious, can be just as disabling. After discharge from the hospital, the patient's morale is often very low. He is depressed and frequently lacking in self-confidence. He may be frightened to return to work, or to exert himself, or to have sex. The period of enforced rest in the hospital, followed by the "take it easy" approach engendered by fear, has not only sapped his confidence, but also weakened his muscles and reduced even further his already deplorable level of physical fitness. Finally, there is evidence that his life expectancy may be reduced because he is more prone to another heart attack.

For all of the above reasons, I felt that the Toronto Rehabilitation Centre should offer a program for these individuals. In essence, this consists of a supervised exercise regime which involves attendance at the Centre one evening a week, with the patient working out four times a week on his own. Initial and continuing levels of exertion are prescribed individually from the results of an exercise stress test. After an initial series of lectures at which the patient is introduced to the rudiments of his disease and the principles of training, he is carefully instructed in such basics as pulse-taking and symptom-interpretation, the jogging technique, choice of correct exercise clothing and shoes, how to adapt to varying climatic conditions, and so on. He completes a training diary every week and, from this, his subjective and objective responses to effort are charted by the staff. Telemetry, or the use of a portable transmitter which is strapped to the patient's back and broadcasts his ECG to the laboratory in the Centre, is often used during actual exercise sessions. Repeat stress tests are carried out at regular intervals. Attendance is for a period of one to two years, depending on progress. The aim is to achieve endurance fitness, relieve symptoms, improve mental outlook, and alter life style so as to eradicate the heart disease risk factors I have referred to earlier.

The results of this program to date have been excellent. About three thousand patients have been treated since 1968 to good effect. The restoration of self-confidence, the alleviation of depression and the improvement in self-image have been notable features of the psychological gains. Fitness has been improved in practically everyone.

Endurance fitness brings with it greater benefits for the post-coronary patient. The heart rate drops, while the stroke volume, or amount of blood ejected with each beat, increases. This makes for a more efficient smoother-working pump. The oxygen-carrying capacity of the blood increases, the muscles extract oxygen more efficiently from the blood stream, there is a reduction in the percentage of body fat, an increase in the HDL or "protective" cholesterol in the blood, a drop in circulating stress hormones, and a decrease in blood stickiness.

Our figures show that recurrence rates in the group have been extremely low, and despite the vigorous nature of the exercise, recurrent attacks during actual physical activity no higher than the expected level on the basis of chance alone.

Acceptance of the program by the medical fraternity has been extremely high. Whereas at the end of the first year only one per cent of all patients referred to the Centre were heart attack victims, currently these cases constitute well over thirty per cent of our annual referral rate. In fact, we now receive some ten to fifteen new post-coronary referrals a week.

This, of course, has put a considerable strain on our resources, but I am glad to say that, with the very generous help of a non-profit fellow rehabilitation organization, Marina Lodge, we have been able to complete a new wing which will be devoted entirely to this type of work and which will open later this spring. This is surely a first — a building devoted entirely to the rehabilitation of the patient with coronary artery disease. With a full-time staff of twenty, a part-time staff of twenty-five, and facilities which include a large gymnasium, six cardio-pulmonary testing laboratories, a lecture hall, and a 200-metre indoor/outdoor jogging track, we plan to treat not only the heart attack victim, but also the individual who is at high risk for coronary artery disease, as well as involving ourselves in community education, teaching of coronary rehabilitation techniques to professional staff, and, of course, increased clinical research.

We are flattered that our program, with minor modifications, has been set up in various cities in the United States, including Chicago, Houston and Los Angeles, and also abroad, in places as far afield as Singapore, Capetown and Oslo.

Of course, there is no doubt that the achievements of our post-coronary marathoners have helped considerably to show how effective our method is in restoring the cardiac patient's confidence in his physical ability. Obviously, only a small proportion of patients have the motivation and the time to train for such a gruelling event. To date, some thirty-two patients have taken part in over 120 official marathons.

Our first one was in 1973 when I accompanied eight patients to Boston. I still recall the momentous, if somewhat nerve-racking, weekend. We had decided some nine months earlier to tackle the Boston Marathon and had been training hard through an extremely miserable winter. I remember we drove to Boston in two cars, a station wagon and a large black limousine which, in point of fact, belonged to one of the runners who was a funeral director. In short, we went in a funeral hearse!

Little cameos still remain in my mind — some funny, some very touching — such as being interrupted while I was taking a blood sample from one of the patients at the finish line by a hippie shouting, "Hey Mac, I don't know what you are shooting him up with, but you better watch out for the cops; this place is thick with them." As Ken Smith passed through the seamier part of town, I heard an irreverent youth, after looking Ken up and down, turn to his friend and say, "What is that old fart doing here?" I witnessed Ken stagger to a halt, turn, face the pair and say plaintively, "I have been asking myself the same question for the last ten miles."

The marathon group has, of course, grown in numbers since those days. But it can take credit for initiating the Hawaii Heart Association's Cardiovascular Section in the annual Hawaiian Marathon, and most recently inaugurating the first cardiovascular marathon in Dublin, Ireland this past August. This will be an annual event organized by the Irish Heart Association. The group has really become a club, and like most clubs has developed its own particular traditions over the years. For example, on the tenth anniversary of each member's heart attack, we run the full marathon distance, twenty-six miles 385 yards, around a course close to the Centre, after which we shower, change and consume a breakfast which consists of two magnums of champagne, fried eggs and bacon, sausages, toast and coffee. We have had three of these wondrous occasions so far and they have proved extremely popular — so much so that at our next meeting there is a motion on the agenda to the effect that we celebrate fifth anniversaries!

On the other hand, coaching middle-aged and older post-coronaries brings with it problems totally unlike those experienced by the coaching staff which accompany our track teams to the Pan-American Games, the Empire Games, or the Olympics. For instance, I rarely have to worry about my athletes being out on the town the night before a run. They usually start nodding off about 10:30 or so, possibly, if they feel really daring, over a copy of *Playboy*. Other things assume greater importance — most typically, the character, quality and regularity of their early morning bowel movement. It is, indeed, a matter of considerable concern if this happy event does not take place at a preset time, each individual feeling that the slightest deviation in this time-hallowed routine is to be feared even more than another heart attack. Consequently, I have to ensure that they do not forget to bring their bran with them and, just to be on the safe side, I carry a liberal supply of laxative suppositories. Breakfast itself can be a problem. Inevitably, all of the "athletes" forget to bring their reading glasses with them, with the result that we sit around a large table while I, who am myopic and therefore can read print by taking my glasses off and holding the menu about two inches from my nose, read each line two or three times so that they can form a mental picture of what it is they want to eat.

Is it necessary to run a marathon to benefit from the program? Of course not, but the example of those who do is a powerful stimulus to the rest of us. Imagine the hope it gives a patient who is lying in hospital recovering from a heart attack to learn that such a feat is actually a possibility. Some of our most gratifying results have been far less dramatic — like the sixty-year-old business executive who was forced to retire from his highly successful business after his attack, and whose condition when he was referred to us seven years ago was so bad that he could barely walk two hundred yards without having to stop and take medication to relieve the pain in his chest. Today he is back at work, and walks four miles five days a week — a greater feat for him that running twenty-six miles might be for some.

Heart attack has been quite vividly described as an "ego attack." Quite suddenly, frequently without prior warning, a previously healthy person is faced with the immediate, and often terrifying, prospect of death. Even as this threat recedes, the coronary patient is left with doubts about his employability and future earning capacity. He may visualize himself as old and dependent. He begins to wonder which of life's pleasures he will have to give up.

In this light, it would be reasonable to believe that he is more in need of psychological help than an exercise prescription. This would be a superficial assessment; most cardiac patients view their disorder as a physical, rather than a non-physical impairment. The psychological trauma that is experienced relates mostly to the fear that the heart attack has left the patient physically incapacitated.

For this reason, some form of activity program is essential for virtually all cardiac patients, as it is probably the most effective for restoring the cardiac patient's confidence in his physical ability. This fact was recognized by the famous Dublin physician, William Stokes, who advocated walking therapy for cardiacs in his historical work *Diseases of the Heart and Aorta*, published in 1854.

The heart attack survivor knows that to live and work comfortably he must have a certain level of physical fitness. Once his exercise prescription takes him beyond that level, he then has positive proof that his illness need not interfere with his future enjoyment of life.

In prescribing exercise for the post-coronary patient, our approach is to give the patient the facts, even to the point of letting him know that his life expectancy is sub-normal. We then re-educate him towards a healthier, more active life. The emphasis is always on the patient's active participation in his own rehabilitation. He learns that he is expected to work conscientiously and assiduously on his own, altering his life style to accommodate his five exercise sessions each week. If he chooses to accept our approach, he knows that we are always there to help and co-operate with him in this joint health venture.

We believe that exercise prescription after heart attack is *the* vital ingredient in the successful rehabilitation of the cardiac patient. It is a method by which the patient will become an active and aware participant in his healing process. It is the way to achieve the benefits described by one of the patients at the Toronto Rehabilitation Centre: "I'm not jogging to live longer, I'm jogging because it's made me fit, and I can now enjoy certain pleasures in life that have always been important to me. I no longer have angina when I stay up late at night, I can play longer and harder than ever before, and for me, that's what living is all about."

In the final analysis, that is also what cardiac rehabilitation is all about.

The thanks of the club were expressed to Dr. Kavanagh by Michael A. Stevenson, a Director of The Empire Club of Canada.

MARCH 20, 1980

Our Present Discontents

AN ADDRESS BY The Right Honourable Lord Roll of Ipsden, K.C.M.G., C.B., CHAIRMAN, S. G. WARBURG & CO. LTD.

CHAIRMAN The President, John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: I have frequently been asked during my term as President of the Empire Club how our speakers are selected, how the ideas for the program are developed and how our guests of honour are successfully recruited. The answers are as numerous as the speakers but, as an example, a review of a portion of the file for this luncheon may be of interest to members of the club. It is also a method of beginning an introduction of today's guest of honour.

The arrangements for this meeting began on February 15, 1979 when I sent the following telex to an associate in London:

> Am about to become President of The Empire Club of Canada. Hope to include a prominent individual from the merchant banking community in program for 1979-1980. Would appreciate your suggestion of best choice and advice on recruiting him.

Six days later an envelope arrived from London which enclosed a memorandum with attachment. The memorandum, in part, read as follows:

> After consulting with several people in the City I strongly recommend the Rt. Hon. Lord Roll of Ipsden, K.C.M.G., C.B., the Chairman of S.G. Warburg & Co. Ltd. All agreed that he is one of the best public speakers they have heard and, as you will see in the attached copy of his lengthy and impressive curriculum vitae from *Who's Who*, he is a broadly accomplished man. He is respected here and in Europe and I am sure he would be an ideal speaker for your club.

At that point, My Lord, I must confess to you that the memorandum continued with two pieces of recognizance which are essential to the conspiracy involved in assembling a program of speakers. It continued:

> I have learned confidentially from one of Lord Roll's colleagues that his schedule is very busy until March or April of 1980. However, he suggests that if you invite him for one of those two months he will encourage him to accept.

With all that helpful information gathered and with a secret agent on the inside, a letter of invitation was prepared and sent to Lord Roll on March 6, 1979 (suggesting, of course, March or April of this year). Fourteen days later, exactly one year ago today, an acceptance was received.

And very fortunate it is for us that it was accepted because we now have the privilege of hosting one of the distinguished men of European economics, government and finance.

Let me share with you some of the highlights of Lord Roll's curriculum vitae. As a scholar and academic he got off to a fast start earning his Bachelor of Commerce degree from the University of Birmingham at age twenty-one and his doctorate in 1930 at the age of twenty-three. He continued in the academic world until 1946, serving as Professor of Economics and Commerce at the then University College of Hull.

Our guest has also been active in government. He has served his country in leadership positions in such missions, ministries and organizations as the British Food Mission to North America, the Ministry of Food, His Majesty's Treasury, the delegation to the Organization of European Economic Co-operation, the delegation to NATO, the Ministry of Agriculture, Fisheries and Food, the International Sugar Council, the delegation for negotiations with the European Economic Community, the International Monetary Fund, the International Bank for Reconstruction and Development and the Department of Economic Affairs. In addition he has been or is presently Chancellor of the University of Southampton, Governor of the London School of Economics, Chairman and Honorary Chairman of the Book Development Council, Director of Times Newspapers Ltd, and Director of the Bank of England.

Throughout his lifetime of intense public involvement Lord Roll has also been a prolific writer. Amongst his long list of publications are the titles *A History of Economic Thought*, *The World After Keynes* and *The Uses and Abuses of Economics.*

Obviously, Lord Roll is both a man of action and a man of reflection, an economic practitioner and an economic philosopher. With regard to the latter he must have been guided by the view of the French novelist and biographer, Stendahl, who wrote that "a good philosopher can always become a good banker." Lord Roll left academia for government and he moved on from government to banking when he joined S.G. Warburg & Co. Ltd., where he quickly became Deputy Chairman and then Chairman.

It is in the context of merchant banker that Lord Roll is with us today, but the insights he brings come from an amalgam of participation in many of the important economic institutions and events of the twentieth century. It is our privilege to have him with us today and it is my pleasure to present him to you now.

Ladies and gentlemen, please welcome the Right Honourable Lord Roll of Ipsden, K.C.M.G., C.B., Chairman of S.G. Warburg & Co. Ltd., who will address us on the topic "Our Present Discontents."

LORD ROLL:

Mr. Chairman, ladies and gentlemen, I feel greatly honoured and privileged to be addressing this distinguished gathering. I must say though, Mr. President, that when you invited me to speak here, my sense of pleasure was tempered with a good deal of trepidation since I soon became aware of the many eminent people who have stood in this place before me. That sense of trepidation was by no means diminished when you very kindly sent me that charming book, *The Best Talk in Town*, with its many pearls of wit and wisdom of past speakers.

I had said that I would speak to you today about "Our Present Discontents." Let me say at once that I do not intend to dilate upon the many troublesome, indeed menacing, political aspects of the current world situation. I want to talk about a number of economic problems. But let me say, as someone who has spent about half a century in the often — perhaps usually — vain pursuit of enlightenment in economics, that though the science may be dismal as Carlyle called it, it is by no means exact. I suppose most, if not all of you, have heard the definition of an economist, which was first given to me by the American Ambassador in London, namely as a man who, if you have forgotten your telephone number, will estimate it for you. That about sums up the analytical precision of the science.

As for its ability to offer practical guidance for the many practical problems of the world, here too I fear the record is not splendid. The late Fritz Schumacher, author of that remarkable book *Small is Beautiful*, used to say that the trouble with the economist is that when his left ear itches, he does not do this, but that! (*He scratches his right ear.*) Still, we cannot shut our eyes to the many practical economic problems in the world today. Man may not live by bread alone but he certainly cannot live without it.

I believe that there are a number of tendencies at work in the world today that already present us with very serious problems and that may, in the relatively near future, cause us even greater difficulties.

Take first of all the question of the industrial and economic consequences of new technologies. I know that for the last two hundred years mankind has often been faced with the development of new inventions, their applications to industry, and the great, sometimes very painful and difficult, adaptations in terms of employment and the migration of industries from one country to another which this has posed. But I do believe that today this problem is once again with us in a particularly acute form. You only have to look at the ease with which new technology has now spread across the world. Take, for example, countries in Asia. The development of Japan is of course now a well established one, not only in the astonishing growth of industries, such as electronics, watches, radios, cameras, but also in shipbuilding and automobiles. Not many years, certainly less than two decades, ago, the number of motor vehicles annually produced in Japan was a few hundred thousand, whereas today it runs into many millions. But more striking perhaps even is the progress in countries like Taiwan and Korea, where industries like steel, construction, shipbuilding and so on, as well as the more refined technological industries, are growing up very fast and this is presenting the

Rt. Hon. Lord Roll
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old industrialized countries of the Western World with very serious competition.

It is perhaps significant that in Singapore the government considers that many highly developed industries that are already established there are not yet of a sufficiently high technological content. The government is trying, by such means as making labour more expensive, quite deliberately to encourage the growth of more capital-intensive, more highly developed, technological industries. There can be little doubt that the problems which this trend creates in the older industrialized countries and which is superimposed upon other problems to which I shall refer in a moment, may well produce — and the signs are already visible — strong pressure for protection. This, as we all know, can certainly in the medium and long term do nothing but diminish world trade and create problems which are worse than the ones which it was designed to cure.

Another feature of the present world scene, to which I want to refer, is one which is perhaps particularly marked within the highly advanced industrialized countries: this is summed up in the phrase that we are living in the "era of rising expectations." It is quite true that the endemic pressure for increased current consumption, current enjoyment, and all that that implies in terms of wage claims, often in excess of the rate of economic growth let alone of productivity, is a marked feature of Western societies. It brings with it recurrent difficulties of financing new investment, including investment to take advantage of new technology. Although the pattern of distribution of the national income in our countries has not changed very markedly over many decades, there is some evidence that it is beginning to change in favour of current consumption, public or private, as against the part that goes to investment. This means an ever-present danger of inflationary pressures which materializes from time to time acutely, particularly when there are additional external causes that go in the same direction.

And this brings me to another and perhaps at present the most important problem with which we are faced: one which has become evident only in the last five or six years. That is the changed relationship between the raw material producing countries of the world and the raw material consuming countries. This change was heralded by what happened in regard to oil. The quadrupling of the price of crude oil in 1973, shortly thereafter its quintupling, the steady rises ever since and the prospect of more to come, and the consequential search for alternative sources of energy all over the world, is probably the single most important economic force in the world today. It has produced an extraordinary imbalance in international payments. The surpluses of the oil-producing and exporting countries have been growing and have produced a pyramid of international banking credit, running into hundreds of billions of dollars. The prospect is that, with the latest increases, this year will see a further marked upsurge of the surpluses of the OPEC countries, with the current estimates running to well over a hundred billion dollars. We must remember that the mirror image of these surpluses is to be found in the deficits of the oil-consuming and importing countries.

It is estimated that perhaps seventy or eighty billion of these deficits will be on account of the developing countries of the world, that is to say very often the poorest and many of them at the same time the most populous countries in the world. Many of them have no indigenous sources of energy, they are in the process of building up slowly and painfully the beginnings of modern industry and, as a result of developments in the last thirty years, they already have a very considerable burden of international debt to carry.

It is true that in the last five years or so the international banking system, the capital and money markets of the world, have managed to cope in a most effective way with this totally new situation which so suddenly affected the flow of international payments. The so-called recycling of the great surpluses which developed in the OPEC countries and matching those against the deficits, the finding of sources of investment, of creating new credit instruments to further this process of recycling have been done more smoothly than one had a right to expect.

But the question must arise whether the international banking system is capable of carrying the additional burdens that are certain to emerge in the next few years with equal efficacy and without any serious strains. Already there are signs of greater selectivity in the granting of international credits, of attempts to discriminate more carefully as far as terms of credits are concerned between borrowers of different standing. Already in some countries the burden of servicing the debt is at a level which threatens to absorb whatever new credits or aid funds that they can reasonably expect to receive from international organizations such as the World Bank and the International Monetary Fund, leaving nothing whatever to cover new deficits arising either from the need to import energy or from the investment requirements of further industrialization.

Unhappily, when we look at the history of the last few years, we find many examples of missed opportunities, of failure to apply the degree of vision and imagination which the new situation required, of failure to mount the necessary effort of international cooperation. Some years ago, when the oil problem first arose, a number of us on both sides of the Atlantic tried very hard to induce our governments to see this problem in its true proportions, to summon up enough resolution and enough vision to work together and to join with the oil-producing countries in an attempt to produce a coherent, joint program of development. This would, at one and the same time, have created new opportunities for the industries of the industrialized West through the export of capital goods to the oil-producing countries, have given those countries a more systematic and coherent prospect for industrialization and have provided a less precarious way of balancing the financial consequences of the new oil situation. Alas, the necessary will to work together was lacking and we are now faced with the consequences of that situation without there being as yet much evidence of any attempt to work more closely together.

Mr. President, in outlining to you what I conceive to be some of the major economic problems facing our world today, I have laid stress on the changed relationship between the raw-material-producing countries and those industrialized countries which are consumers of raw materials. Within this problem I have distinguished as particularly acute the plight of those countries which do not produce or produce only very few raw materials and certainly have very few sources of energy of their own and which are in the process of development. This problem of the relationship between the developing world and the developed world is particularly menacing for the peace and stability, let alone the prosperity, of our world.

Some fifteen years ago, at a meeting of the American Bankers Association, I took the liberty of paraphrasing some words of Abraham Lincoln and said that I did not believe that our world could permanently endure half-rich and half-poor. Well, it has managed to survive for fifteen years and I dare say it could be argued that it will survive many years more. But who can be sure?

Just the other day the attention of all thinking people was once again focused on this problem by the report of the so-called Brandt Commission, a body composed of eminent men from very many countries, industrialized as well as developing, under the Chairmanship of Willy Brandt, the German statesman. That report has perhaps awakened the interest in this problem of much wider circles than merely those directly engaged in political or economic public affairs. But, Mr. Chairman, the Brandt Commission Report just published is by no means the first diagnosis of the seriousness of this matter. Some ten years ago, in 1969, a similar report was published, a report by a commission of eminent men, presided over by a great Canadian, a man whom I had the privilege to call a friend and with whom I worked during and after the war, Mike Pearson. The Pearson Report was a great clarion call which, alas, was not sufficiently heeded at the time.

Mr. Chairman, in drawing attention to the work which bears the name of a Canadian, I should add that this carries an important lesson. I believe that in resolving this problem, your country, Sir, occupies a special position. I say this not in any spirit of flattery. It is a fact that in this difficult configuration of the industrialized and the ex-colonial developing world, Canada has a very important part to play. Mike Pearson proved by his report and by his work in the United Nations and elsewhere that it is possible to bridge not only the conflicts within the developed world but also the actual as well as potential conflicts between the developed and developing world. Because of your special position as a highly industrialized country but at the same time one which is an important raw material producer, you are in a position to understand the problems of both groups of countries. Yours is also a very stable society — certainly a country which can manage, perhaps even enjoy, frequent general elections must be a stable society!

What is perhaps most important, Canada is not affected by the still-surviving suspicion to which, I am afraid, many of us in Europe are subject as ex-colonial powers and which even your great neighbour to the south has acquired. You are not, so to speak, tainted; indeed, in this relationship between the ex-colonial powers and the colonies, Canada stood, admittedly a very long time ago, at the other end of the spectrum. I am, Mr. Chairman, therefore, convinced that Canada will continue to play in this, as in many other problems that beset our world, a very important, perhaps even a vital, part.

The thanks of the club were expressed to Lord Roll by Major General Bruce J. Legge, President of The Empire Club Foundation and a Past President of The Empire Club of Canada.

MARCH 27, 1980

The Future Prospects of Canada's Newest Province

AN ADDRESS BY The Honourable A. Brian Peckford,
PREMIER OF NEWFOUNDLAND
AND LABRADOR

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: In 1958 Farley Mowat, in his book *The Grey Seas Under*, quoted a Newfoundland skipper. With apologies to our guest of honour, and the other Newfoundlanders in the room for not having the proper musical accent, the quotation was as follows: "Ah, me son, we don't be takin' nothing from the sea. We has to sneak up on what we wants, and wiggle it away."

Presumably, when the skipper spoke those words, he was commenting on the difficulties of fishing. However, for the oil men working on exploration rigs off the coasts of Newfoundland and Labrador today, the challenge of extracting the resource they are seeking from the sea is at least as difficult as that of the fishermen. But the individual who surely has the most frustrating and longstanding problem in sneaking up on what he wants and wiggling it away is Newfoundland's Premier who must try to convince the federal government that the cod in his continental waters and the resources below them belong to the people of Newfoundland. Given his record in previous negotiations it is likely that the Honourable Brian Peckford will succeed on both scores.

Mr. Peckford became Premier of his province at an exciting time in its history. With the discoveries of new sources of oil being announced regularly, the fisheries industry enjoying a revival and massive new hydro-electric projects being planned, it appears that Newfoundland and Labrador are on the threshold of an era of unprecedented economic growth. That Brian Peckford is in the Premier's office while this is taking place is no accident because he is the man who has made much of it happen.

Mr. Peckford was Minister of Mines and Energy during the period when the ground rules for energy development were established. With regard to offshore exploration his ministry's directives were unequivocal — preference for Newfoundland labour, goods and services in the drilling program and provincial control of the development rate. When the oil industry thought that he was bluffing and that by boycotting Newfoundland they could weaken his resolve, Brian Peckford refused to budge. Said Stephen Kimber in an article on our guest of honour in the *Financial Post Magazine* of February 9, 1980:

> (Peckford) realized something that Newfoundland politicians, hungry for some tangible sign of development at any cost, had inconveniently ignored for generations — that the province is a veritable warehouse of natural resources the world needs, and that the world would ultimately be willing to pay Newfoundland's price to get them.

When the oil companies returned to Newfoundland on his terms, Brian Peckford had an immense personal victory but, more importantly, he had a victory for the people of his province who gained both economic opportunities and a new sense of pride and confidence in their prospects.

Partisans and citizens of Newfoundland alike were quick to acknowledge Mr. Peckford's foresight and determination on their behalf. Last year he was chosen by Progressive Conservatives to be leader of their party and in a general election his government was elected with a strong majority. The Honourable Brian Peckford was sworn in as Premier on March 26, 1979; today begins the second full year of his responsibilities in that office.

Ladies and gentlemen, it is a great honour to have the Premier of our country's newest province with us this afternoon and I welcome him to the Empire Club with the words of the final verse of a song by Newfoundland's unofficial poet laureate, A.R. Scamell:

> Our time spent together will ebb like the tide,
> Distance may part us but never divide;
> We want you to know we are proud that you
>   came —
> Some things have changed but the folks are
>   the same.

The sentiments expressed in that song reflect very clearly our feelings today as we host the leader of one of our sister provinces.

It is my pleasure now, ladies and gentlemen, to ask you to warmly welcome the Honourable A. Brian Peckford, Premier of Newfoundland and Labrador, who will address us on the topic "The Future Prospects of Canada's Newest Province."

PREMIER PECKFORD:

Mr. Chairman, members of The Empire Club of Canada: The timing of your invitation could not be more auspicious since I have been planning for some months now to undertake a speaking tour of eastern North America. Recent events in my province, especially offshore oil and gas discoveries, have created much discussion about Newfoundland's future not only at home but throughout Canada and abroad. These events demonstrate our enormous economic potential. There are many who believe Newfoundland has the potential to become one of this country's important centres of commerce. They may well be right. I would be less than honest, however, if I did not state that my principal and immediate concern is the realization of a major readjustment in the economic and social disparities which Newfoundland experiences relative to the rest of Canada.

This great objective will not be easy to achieve even given the wealth from oil and gas deposits. It is for this reason that today I want to address the future prospects of my province, especially in the context of the major challenges we have to face in order to create a greater level of economic and social prosperity for our people.

Since its entry into Confederation in 1949, Newfoundland has been an economic underdog. Every statistical indicator used to demonstrate levels of economic wealth and prosperity has applied to our province in the most negative way. Now, with progress in our fisheries, large hydro potential and very promising discoveries of oil and gas off our shores, Newfoundland is on the threshold of significant development. For perhaps the first time in our long and difficult history, our people have the opportunity to achieve a standard of living similar to that which Canadians elsewhere have enjoyed for many years. We seek to achieve economic parity, to do ourselves what thirty years of federal handouts have not achieved.

I am aware that throughout our nation some have not seen our objectives entirely in that light. Some have misconstrued our motives as being selfish and greedy, often, I am certain, without a full grasp of Newfoundland's social and economic realities. In order to appreciate the wisdom of the resource policies of my government, one must understand the past tribulations of the people of my province, their present situation and their hopes for the future.

Any serious attempt to understand what my province is all about will immediately recognize the historical facts that have led to a very real disparity in the level of public services and the standard of living in our province, as opposed to the rest of Canada.

Indeed, during the negotiations for Confederation in 1947 and 1948, we (as did all provinces entering the Canadian Confederation) tried to ensure that our transitional grants would be adequate to bring the province's economic situation up to the national standard. We were fortunate enough to have a fairly healthy surplus going into Confederation and we hoped that the terms of union, specifically Term 29, would give us the ability to catch up. However, in spite of Term 29 and major federal investments since 1949, it has been necessary for the province itself to borrow heavily against the future in an attempt to bring public services up to something close to mainland standards. This has resulted in a very heavy debt burden and that burden is a central feature of the dilemma which Newfoundland now faces. Our province's debt, and our lack of access to very large additional amounts of money, constrains our ability to move forward in the near future, even to bring up our public services to the level of the next poorest of the provinces, let alone up to the national average.

In addition, one of the problems with the large resource developments which we now face (particularly for offshore oil and gas and hydro) is a need to make large public investments prior to the province's realizing any increase in public revenues from the resource development itself. So even though our medium- and long-term financial prospects are favourable, the province has a short-term cash flow problem.

The future hopes of the people of my province are

The Honourable A. Brian Peckford,
Premier of Newfoundland and Labrador

best characterized by our very strong desire to become a *self-supporting member within Confederation.* This means having access to, and control over, our own natural resources so that by wisely developing and managing those resources, we can create employment and business opportunities within the province. The resulting large direct revenues will end our dependency on equalization and other transfer payments. Thus, we will not only become paying members of Confederation, but also help to repay the benefits previously received as a have-not province.

Newfoundland's major resource areas — offshore oil, the fisheries and Labrador hydro — are in great demand throughout the world today. However, experience has taught us that resource development itself will not ensure Newfoundland's economic progress. It is *how* we manage and control their development that will determine the extent to which Newfoundland will benefit.

The history of my province has recorded too many instances where mere development rather than the wise management of our resources has been the major preoccupation. I have only to refer to the grossly inequitable Churchill Falls contract which permits the sale, for a mere pittance, of nearly 5,000 megawatts of power to the Province of Quebec to illustrate my point. Newfoundland stands to lose nearly half a billion dollars annually in revenues from this contract — an agreement which does not end, I might add, until the year 2034. It is not my intention today to cast blame on the perpetrators of this deal, but the lesson to be learned is clear. Careful resource management and development must be seen as the only route to economic and social progress. This can only be done, of course, if we own our resources. Thus, we as a province, place a tremendous importance on the ownership principle. This principle must apply to every resource sector, not just to oil and gas, but to our hydro resources, to our fisheries, and so on. To do it any other way simply means that we will not be in a position to control our own destiny.

This is why, in the fall of last year, my government took a firm stand with our Tory brethren in Ottawa over the issue of the fish stocks on the northeast coast of Newfoundland and Labrador, commonly referred to as the "northern cod stock." Federal policy permits the licensing of mainland Canadian freezer trawlers to fish our traditional cod stocks — fish which we badly need ourselves. Our cod stocks are only now starting to recover from the overfishing by foreigners during the 1950s and 1960s and we have a long way to go before an acceptable level of recovery is reached. The stark reality is that on that coast, our fish processing plants continue to operate only at about sixty per cent capacity and for several months each year some communities experience levels of winter unemployment as high as ninety per cent.

The aim of my government is to pursue a fisheries management policy that will allow for the operation of our fish plants beyond the normal four, five, or six month period. It is out of the sheer economic need to protect the inshore fishery of our province and the hundreds of rural communities which depend upon it that we seek to retain our traditional access to northern cod for Newfoundlanders and Labradorians.

Certainly, this contention is not based on any selfish motive. Newfoundlanders have fished the northern cod stock exclusively for hundreds of years and thus we base our case on the principle of traditional historic rights. We do not believe, however, that this principle of traditional historic rights should apply only to Newfoundland and Labrador. If justice is to be done, we feel this principle should apply to the extraction of resources through all of Canada and should therefore be the same for Nova Scotians, New Brunswickers, Prince Edward Islanders and people throughout the nation who can make such claims. Indeed, each of these provinces have very lucrative, traditional fisheries and we make no claim to them.

My government is also of the firm belief that the future of the Newfoundland fishery and the development of conservation and management regulations should not remain the sole prerogative of the federal government. If we as a province are to ensure beyond any doubt that rural Newfoundland will not only continue to survive, but will grow and prosper, then some type of shared jurisdiction must apply. This is a matter which my government will be pursuing with the new federal government in the months ahead through the ongoing constitutional processes.

Let me state clearly that the fishery is the backbone of our economy and it will be the foundation on which the economic and social life of Newfoundland will depend for generations to come. Long after the oil is gone, an effectively managed fishery will be there to ensure the future well-being of our people. That is our long-term objective. In the short and medium term, the fishery will not provide the people of Newfoundland with the standard of living, the level of income and the employment which we seek.

Without some massive short-term infusion of capital, Newfoundland and Labrador will lag well behind the rest of Canada forever. Remember, we need some $350 million a year just to replace federal equalization payments. Only after this sum has been found, can we even start to *improve* on our position. This is why the utilization of our offshore oil and gas resources is so important. With that resource lies one of two short-term prospects of Newfoundland's becoming a have province.

In recent months, tests conducted at the Hibernia and Ben Nevis locations indicate the strong probability of a commercial oil and gas discovery. Any investor looking at my province knows what these developments mean both in terms of direct investment generally and in terms of the future economic growth and expansion. Indeed one does not have to be an economist to understand that this will mean a somewhat radical shift in the focus of economic activity in Canada. My province is determined to control that shift of economic development and to make sure that it fits in environmentally, socially and economically with the existing Newfoundland society and its priorities, both as they are and as they evolve over time.

We will not be mere bystanders in the march of events which have the potential to devastate the cultural, social and economic essence of our society which has, not without much sacrifice and hardship, withstood the impact of a sometimes unfortunate history.

We are willing, and admit our duty, to develop these, *our* energy resources, for the good of all Canada but the rest of Canada for its part must not ask us to commit cultural genocide in the process. Thus, the dominant feature of our policy is the control of the rate and nature of offshore development.

As the troubled history of our western provinces shows, it is only through resource *ownership* that a province can be assured that its objectives and concerns govern. Consequently, my province is vigorously pursuing its rights of ownership which it brought into Confederation in 1949 and which, I might add, it never relinquished by the terms of union, contrary to the view of the federal government.

The success of any federation requires not only that each component unit be reasonable in its demands but that each component also respect the reasonable demands of their fellows. Are then Newfoundland's demands in respect to offshore oil reasonable?

What, you may ask, is the matter with Ottawa's offer of a political settlement? In essence, it falls far short of being acceptable on two counts. First, under all proposals made to date, Ottawa would retain all real effective control of the host of resource management decisions which will not only shape offshore development but will, as I have said, shape and perhaps destroy our society. This is totally and irrevocably unacceptable.

We certainly have *never* claimed the right to all offshore revenues, any more than Alberta has claimed one hundred per cent of the revenues derived from its oil and gas resources. However, if the Maritime Provinces' offshore mineral agreement is any indication, the gap between our two positions is very great indeed. Under that agreement, a revenue-sharing formula would give Ottawa half of the revenues from any given field, the companies thirty-six per cent and the adjacent province fourteen per cent — hardly an appropriate return to the owners of the resource.

On the other hand, under Newfoundland's oil and gas regulations, the province really has a chance to go somewhere over the next few decades. Our regulations would see forty-five per cent of the revenues accruing to the province, the companies receiving thirty-four per cent and the federal government a very favourable twenty-one per cent. Hardly a bad deal from a province that has been labelled as greedy and unwilling to share its resources particularly in light of its chronic and deep-seated economic problems.

It is no secret that there is no more money to be taken out of the Newfoundland and Labrador taxpayer through additional taxation. Revenue generation through traditional methods cannot be increased. Our forestry, mining and fishery resources are unable in the short run to provide us with the revenue we require. Therefore, as I stated a moment ago, without a substantial influx of new dollars, Newfoundland, under the present fiscal and structural arrangements that we have in Canada, can go nowhere financially. We are at a point in our economic history when, if we raise taxes, we are under the law of diminishing returns. To add to this, Newfoundland has the highest income tax in Canada. We have the highest sales tax. We have one of the highest corporation taxes. We have the highest per capita debt. We have the highest unemployment rate, and we have the lowest credit rating.

As if this were insufficient cause to make Newfoundland's case for ownership of its offshore resources irrefutable, I thought it might be useful to do some comparison of the relative position of the wealthier provinces to Newfoundland in the context of earned income. Indeed, it is earned income which is the real basis of wealth. Consider these facts. The average earned income in Newfoundland is only fifty-three per cent of the Canadian average. Therefore, just to reach the national average, Newfoundlanders would have to almost double their earned incomes. Moreover our average income is less than fifty per cent of that of Ontario, British Columbia and Alberta. To catch these provinces we would have to *more* than double our average earned income.

Of course, the prospect of catching up is even more remote because the other provinces are growing at the same time. For example, if Ontario, Alberta, and British Columbia were to grow at three per cent per year in real terms over the next twenty years (as I sincerely hope they will), then Newfoundland would have to grow at a real rate of six and six tenths per cent per year to catch them by the year 2000. This would require almost a four-fold increase in real earned incomes in twenty years.

Canada has survived a situation where provinces such as Ontario have been more than twice as wealthy as Newfoundland. Yet the very concept of Newfoundland's even aspiring to the national average appears to some people to be a frightening prospect which will put great strains on the national fabric. This is nonsense, for surely the vast majority of our fellow Canadians appreciate and welcome a situation wherein Newfoundland is in a position to work towards the national average (or even exceed it) twenty or thirty years from now.

To achieve this goal all we are asking is that Newfoundland have the same degree of control over its resources as the other provinces already have over theirs; nothing more. We are not asking for anything special, but only to be on an equal footing with the other provinces in Canada. If Newfoundland, in the years ahead, achieves this objective, who can argue that Newfoundland, and as a consequence, all of Canada, will not both be stronger.

Finally, I want to speak briefly about Newfoundland's second prospect for greater short- to medium-term economic prosperity — our hydro resources. I am sure many of you are well aware of the vast undeveloped hydro potential of Labrador. Today, I would like to talk about the developed hydro-electric power at the Upper Churchill Falls and assure you that the province of Newfoundland and Labrador has not given up its attempt to regain control over those resources.

As a result of events in the 60s (when the government of my province was unfortunately not nearly as exertive of its rights as it should have been), Newfoundland and Labrador was denied the right of transit across Quebec in defiance of the spirit and letter of the Canadian Constitution. Indeed a land-locked state would have more right-of-transit over an adjoining foreign country than the Province of Newfoundland turned out to have across Quebec. This cynical disregard of the Constitution put Quebec in a monopolistic buyer's position vis-à-vis Churchill Falls. The result is that Quebec has exclusive access to vast amounts of hydro power at the energy equivalent of $1.80 per barrel for the first forty years and $1.50 per barrel for the next twenty-five years. It is obvious that in today's overall energy environment, this is an absolutely and incredibly one-sided agreement with unconscionable inequities against the Province of Newfoundland and fabulous profits for the Province of Quebec. My government is pledged to rectify this matter.

While we are anxious to develop our remaining hydro potential in Labrador, we are certainly not so anxious as to want to engage in any kind of deal which even closely resembles the Churchill Falls contract. There is no doubt that the island part of my province and eastern Canada in general, as well as the eastern United States, has a tremendous need for the huge hydro-electric potential that is now flowing into the sea. But of what benefit are these resources to our people, if most of the revenue accruing from them must go elsewhere? My government cannot tolerate a situation whereby its sister province, Quebec, is consciously and unfairly determined to exploit its geographic position vis-à-vis Labrador.

As I have already stated to Premier Lévesque, we are willing and happy to provide Quebec, and indeed any of our sister eastern provinces, with hydro power but only if it is truly surplus to our own people's needs and then at fair (but less than world) prices. Is that being unreasonable?

I have tried to demonstrate to you that Newfoundland cannot afford to have the benefits of its natural resources go elsewhere. Indeed, our people would never tolerate it and my own conscience would never permit it.

I stated earlier that there are some who see Newfoundland's endeavours to gain control of its resources and to seek the maximum benefits therefrom as being a selfish and greedy strategy, indeed an un-Canadian position. To this I reply, *nonsense*! I would ask, is it greedy to want to help Canada by helping ourselves? Is it wrong to provide more jobs for Canadians who live in Newfoundland? Is it wrong to want to depend less on equalization and more on our own economy? Is it wrong to want to retain our uniqueness to enrich the Canadian experience?

I submit that the basic principles underlying the spirit of Confederation support our positions in these matters. My concept of Canada has always been of a country in which the people of each province have a right and an opportunity to realize their own destiny.

This is the concept of Confederation towards which, as Premier of the Province of Newfoundland and Labrador, I want to strive. I sincerely believe that it is the only concept under which Canada, as a nation, can achieve the social and economic greatness of which it is capable. Indeed, it is the only concept which, frankly, can keep us all together.

The thanks of the club were expressed to Premier Peckford by John W. Griffin, a Past President of The Empire Club of Canada.

APRIL 10, 1980

Getting Away with It for Forty-Four Years

AN ADDRESS BY Don Harron,
ACTOR, PLAYWRIGHT
AND RADIO HOST

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

In reviewing the career successes of Don Harron, our guest of honour today, one experiences an uncharitable competition of reactions: on the one hand, an unbridled admiration for the man and, on the other, one is embarrassed to admit, a barely submerged feeling of envy that one individual could have so many publicly recognized accomplishments in such a wide variety of activities. For those who spend their lives labouring in one profession the versatility of Mr. Harron is potentially vexatious and the ease with which he moves from acclaim in one career to further successes in another is enough to break the spirit of all but the most self-confident.

The easy winner in this competition is, of course, admiration because Don Harron's activities are all ones that he shares directly and regularly with millions of Canadians, Americans and others from around the world who have the opportunity to enjoy his works.

In his most recent career, Don Harron the radio host has been the cornerstone of the CBC's popular weekday program *Morningside* where his interview skills, his humour and his insights into the issues of the day have enabled him to build a growing audience of listeners and admirers.

Over the years our guest has also been a writer — of screenplays for motion pictures, of a musical adaptation of a novel and, under the pseudonym and guise of a rural philosopher, of Canadian history and geography, and of homey wisdom and theology.

As playwright and lyricist of the stage version of *Anne of Green Gables* our guest combined the perfectly measured portions of laughter and tears that are necessary to create a memorable production — one that is played every year by amateur and professional companies and continues to appeal to people of all ages and many languages. It opened in Japanese in Tokyo just last week. Sales of his series of Charlie Farquharson books, which include a *Histry of Canada*, a *Jogfree of Canada* and a *Korn Allmynack* have demonstrated that he has his finger firmly on the pulse of our nation's sense of humour.

Finally, Don Harron is an actor and comedian. On the side of serious drama he has played leading roles in Stratford, Toronto, New York and the West End of London, and also before the cameras in television and in film productions. His opposites in these roles have been such actors and actresses as Alec Guinness, Lorne Greene, Maggie Smith, Katherine Hepburn and George C. Scott.

Without wishing or intending to diminish any of these considerable accomplishments it is fair to say that the best known Don Harron is the likeable farmer from Parry Sound who first came to the stage for four minutes during the 1952 version of *Spring Thaw*. Charlie's following has been growing ever since to the point that he is now seen by the thirty-five million watchers of the television program, *Hee Haw*, broadcast weekly from Nashville, Tennessee.

The durability of Charlie Farquharson, the fact that he has survived for twenty-eight years both as a character and as a farmer is remarkable. Given his successes one might have thought that Charlie would have left the financially unrewarding life on the farm for something easier. But he obviously shares the love of the land exhibited by the second of two farmers who each won a million dollars in a recent lottery. When they were asked what they intended to do with their money the first replied, "Sell the farm, buy a Cadillac and a condominium in Florida and take it easy." The second, after reflecting for a moment, said, "Well, I like farming pretty much, so I guess I'll just keep doing it, until all the money's gone."

Ladies and gentlemen, it is our good fortune that Charlie Farquharson has continued his role as a farmer for so many years, just as it is our good fortune that Don Harron is part of our community. Through them we are able to see ourselves in the mirror they hold up to us; we are able to benefit from the therapy of laughing at ourselves and we are able to refresh ourselves with the exhilaration that comes from attending a professional presentation by a performing artist.

Mr. Harron has stood on stages around the world and it is our privilege this afternoon to welcome him to that of The Empire Club of Canada. Ladies and gentlemen, please welcome Don Harron who will address us on the intriguing topic, "Getting Away with It for Forty-Four Years."

MR. HARRON:

Thank you, John. I always feel guilty when people use the word "versatility." Last Friday night, my wife was doing a concert and afterwards she called me, as she always does, to talk about what the audience was like. I was opening our place in Barrie, which Catherine calls "Barrie Sound." We don't get there as often as we should. In fact, we hadn't been there since last July when we did a play together in Barrie.

I was talking to her about this and that, saying that I was going to have an Easter egg hunt the next day for the neighbourhood kids and our own Kelly, and that I had been on a mouse egg hunt — to get rid of those little things that bother her. While I was on the phone I was swatting flies at the same time. So I said, "Just a minute," and I reached over to swat a fly. Well, I got the fly, but the phone hit the kitchen floor and didn't function any more. It didn't function until Catherine came up the next day and fixed it.

I'm sure Catherine laughed when John talked about versatility, because I don't really know very much about anything. That's why I'm on *Morningside* — I know a little bit about everything and nothing much about anything. If I didn't get away with what I've been getting away with for forty-four years, I would be unemployed.

When I was told that I was going to speak to the *Empire* Club, I thought "That's an anachronism. I can't speak to an anachronism!" My father was never a member of the Empire Club. He was a thirty-second degree Mason, a veteran of World War I, and a member of the Progress Club, which he joined in 1929 — a rather unfortunate year. I think my father quit about 1934 — he lost hope.

But there still is an Empire Club — when even the Commonwealth is in danger. Although I hear that Maggie Thatcher, known otherwise as Attila the Hen, is thinking about reviving it.

This program that I do every morning is interesting because I deal so much with the future. I never know what people think is going to happen in the future. I'm going to interview Alvin Tofler on Monday. He's the man who wrote the book *Future Shock*. I don't know anybody who ever finished that book — they were so shocked. But Tofler has a new book now called *The Third Wave*. I can only tell you that this one is an optimistic book. He thinks everything is going to be great. Don't worry about the future — it's going to be just like the past. So, Empire Club, hold on. It's like Charlie Farquharson's fashions — just stand still and you're back in style.

Charlie waited all the way through the era of bell-bottom trousers and his cigarette pants are now back in style. As for roll-top sweaters, as Charlie says, "Now you see them in Harpie's Brassiere and Vague Magazine."

But the interesting thing about this book, which I have just finished reading, is that Tofler talks about the "electronic cottage," where everyone will live and work. Right now you can never find anybody home — they're all out at the local Ponderoso or McDonald's. But he says that's all going to change in the next fifteen years. The nuclear family, that means a wife, a husband, a child (and their marriage counsellor and possibly a divorce lawyer) is out. The extended family is back in. We will solve the gasoline problem by not commuting. Ninety per cent of all work will be done in the home. No more factories. It's just you, the wife and your computer. If you take away the computer, and add a hired man, you've got the family farm — the way we've lived in this country for hundreds of years.

Do you remember those visions of the future? Do you remember a film called *Things to Come*? It was a British film, made in about 1934, and Raymond Massey was in it. It was based on H.G. Wells' book, which he wrote around the turn of the century, about what it was going to be like in 1950. They sometimes show it on television. It has people walking around in white vinyl suits, gleaming white buildings, space ships that go straight up. And that's supposed to be 1950 — thirty years ago.

I don't believe in any of this visions about the future. Just look around Toronto. I know we have the Royal Bank building which gleams like Eldorado when the sun is out. But *this* building that we are in is part of my past. The people who do futuramas forget that the residue of the past is still around.

Don Harron,
Actor, Playwright and Radio Host

My child said to me the other day, "Daddy, why is everything made in Hong Kong, Taiwan, or Grand Island, New York?" I didn't have any answer for her.

The CBC is now involved in discussions about pay TV. Do you remember a vision from a few years ago — we were all going to have wall-size television screens? The only place you'll find a wall-size television screen is on Grey Cup night in some sleazy bar. Do you remember the idea of the phones with a screen so that you could see the person you're talking to? I used one in Expo 70 in Japan. But there is no demand for that. Who wants to come to the phone in curlers? That's why radio is so popular. People don't want to see what other people look like, particularly at 9:13 in the morning when I start to work. I don't have to shave. I can wear anything I want. It's like being home. Which is what Mr. Tofler says the future is going to be.

You have to learn to communicate with your mate. Well, if you have fourteen cows to milk you know how to communicate. "If you've finished that one, I'll strip this one." That's communication. A farm plus a computer is the future. The man who wrote *How to Face the Coming Bad Years* (I can never remember the names of these authors) said go to a place with a population under 100,000 and start a victory garden. Is that the future? That's also the past.

Charlie Farquharson thinks a computer is somebody who lives in the country and works in the city. They told him it was a machine that thinks almost like a human being. He said, "That's the kind of person we were having trouble with in the first place. I don't want one of *them* around. There's only three kinds of computer. There's yer burrows, yer honey well, and yer one-b-m. But I've dug a hole out behind the house fer all that. All that's taken care of."

I started my career in 1934. I was ten years old. I was part of a show in this hotel at a banquet given by the Tippet Richardson Cartage Company. The pay was fifteen dollars. My father, who always wanted to be a cartoonist, taught me how to draw caricatures. I don't imagine they were very good, but I suppose it was unusual for a ten-year-old kid to do them. Like a dog standing on its hind legs and whistling through a keyhole — it's something to watch.

When I was eleven, somebody came up to me at one of those banquets and said, "Can you read what's written on this paper?" So I read it. She said "Fine. Come tomorrow and you'll be in a radio series." So I did a show, three times a week, for the CBC.

It was 1936 — CBC's first year as the Canadian Broadcasting Corporation. It was called the Canadian

Radio Commission until then. The CBC had a small corner of a building up on Davenport Road — the Eveready Flashlight Building.

Charles Jennings, a most beautiful, intelligent man, was my announcer. We had a sound man. If you needed a fire, he would take the wrapper off a Sweet Marie chocolate bar and crackle the paper — there were no records or tapes in those days. He made rain from dried peas in a sieve. If there was snow, he'd punch a bag of corn starch as we walked through the woods, and he literally would take off his shirt and pound on his chest with coconut shells to make the sound of horses.

One time, the lady playing my mother was going to a formal dance and she asked me to zip her up. So the sound man in the corner zipped up his trousers. Talon fasteners had just come in that year — we were very up to date.

My sponsor was not Exxon or Redpath. It was the Ontario Government. Even then, I was in the midst of socialism. The Department of Highways sponsored our show, which was about two boys in the northern Ontario bush. At the end of the show, I had to disguise my voice and give a safety message. I used an Irish accent — a lot of our neighbours were Irish. I got $2.50 per show, and nothing for the rehearsals, which were on the in-between days. I wasn't too happy about that, because I couldn't play hockey in the afternoons on the street with my friends. But I bought a CCM bicycle with my first month's salary.

I didn't know how to ride the bike at first, so my father took me out, after dark, and taught me. Finally, I was able to ride it to work, but the first day I tried that I flew down the hill in Wychwood Park and went careening into a cab because I didn't know how to put the brakes on. Fortunately, he just clipped the rear wheel. He stopped and picked me up. Then I had to drag my wounded steed down to the station and go on the air. The program was fine. I didn't miss a line. But at the end I had to give the safety message, and the rest of the staff were choking with laughter behind the velvet curtains as I told all the little boys and girls to be careful crossing the streets.

That was the end of my career for about ten years. I quit the series. I never tried to be an actor again until I came back from World War II. Well, that's not quite true. I spent one year at university, at Victoria College, before I joined the Air Force. And I tried out for the lead in the class play. I got a non-speaking role — I played the corpse in *Riders to the Sea.* And I did a role in Shaw's *The Devil's Disciple.*

Shaw's play is about the American Revolutionary War, and a man is on trial for his life as a traitor. I played a German officer, one of the mercenaries who helped the British troops. Again, I had no lines. They gave me a wig which must have belonged to Apple Mary that made me look like somebody's great-grandmother, although I had smart white pants, black boots, a scarlet coat and lace at the throat. There were no rehearsals for the extras — we just went on and did the show. So I went on the stage and just sat there.

The director was Earl Grey, God bless him, who said that art is long and life is short, and that we must give our all. He was furious.

He said, "My dear chap. The man is on trial for his life. Can't you react?"

So I said, "But I'm supposed to be a German — at least that's what the script says."

He said, "You must be *curious*. That is the secret of drama — curiosity."

It was a three-night stand. The next night they gave me a different wig. They decided that my Dame May Whitty wasn't quite appropriate, so they gave me a wig that was all curls. And they added a little more lip rouge. By the time they'd finished with me, I looked like Harpo Marx.

So out I went for the trial scene in the third act. This time I ad libbed in high-school German and reacted like mad. I was the centre of attention. But not because of my acting. My white breeks began to split — so that a murder comedy became a suspense drama. I was asked not to return for the third night.

The only other thing I did that year in college was a role — I got a speaking part this time — in a one-act play. One of the senior students, Ralph Hicklin who became the drama critic for the *Telegram*, wanted to play Hamlet. Who doesn't? So they decided to do the first act of *Hamlet*. And another student, who later became a distinguished economist, wanted to play Macbeth. In between, they wanted a little light relief, so we did a one-act play of Chekhov, *The Proposal*, in which I played a hypochondriac. It was not a restrained performance. I showered with water all the people sitting in the front row.

What I didn't know was that this was a drama *festival*. And they were going to award a college letter for drama. Afterwards a lady came on and awarded this letter to *me*! Hamlet and Macbeth walked off in disgust to the King Cole Room.

That was one of the two awards that I have won in my life. (I was at the ACTRA Awards dinner last night, and I didn't win.) The other time was in second form high school when I debated that we should return to Germany her former colonies. The only reason I won was because my partner was brilliant. This Jewish boy won the argument for Germany — and this was in 1937!

But I have always cherished that letter for drama that I won at Victoria College. When people ask me, "Did you get a B.A. at college?" I say, "No. I got a B.D."

So I had a distinguished career in drama up to that point.

Then I joined the Air Force. Before lunch, I was comparing notes with Reverend Chote. He really did do something in the Air Force. But I did daylight sweeps over London, Paris and *Brantford.*

In those days, if you were too young to join up and too scared to write your senior matriculation, you joined the Farm Service Force. Anybody here do that? How much did you get? I got twenty dollars a month and as much as I could eat between the house and the barn. I went to a place called Wick, near Greenbank.

I remember the first day. It was a harrowing day. I mean *literally* — that's what they were doing in the fields. I got there about 2.30 and they told me what to do, which was to go along beside the horse. By 4.30, I was faint with exhaustion. I was a city boy, not used to that sort of stuff. So they let me sit down while they did the chores. After about a month, I was out of bed at 6.30 and off to get the cows. Then I noticed that the barn didn't smell anymore. When I went to the city for the weekend, I wondered why people stood so far away from me.

We talk about our Canadian identity problem. Mine was solved that summer. There was a radio program from Vancouver called *Stag Party* with a brilliant comedian called Alan Young. Bernie Braden played a farmer, but he didn't sound like the men in the fields that I was working with. They don't say, "Pttt, by crackie." They say, "Wull, d'yuh mind the time when . . . she was a Leech. She was a Leech on her father's side . . ." I was fascinated with all those family relationships, and from that experience, starting at twenty dollars a month, I have earned money ever since.

The man I worked for was a cousin of mine whose name was Charles — I would never call him Charlie. He had a roll-top sweater and a peaked cap and glasses. He didn't speak like my creation — I think that dialect came from the hired men I worked with. But I never saw him again from the year I worked for him, 1942, until 1975 when he came to my mother's funeral. At first I didn't recognize him, and then I recognized his wife. I thought, "Ouch, I wonder what he thinks of me after all these years." Charlie had been going for about twenty-five years then.

At the funeral, he was very dignified and gentle, paying his respects to my mother. But later, we were invited to dinner at the farm. And I found out from his son that we were invited because he was a rabid Catherine McKinnon fan.

I found my way up to the farm without a map, and as Catherine can tell you, I can get lost in a turnstile. But somehow that place implanted itself in my mind. The farm looked basically the same, although much extended. There was a swimming pool on the lawn, but beside it there was a Massey Ferguson tractor.

On the way I said to Catherine, "I haven't seen this man for thirty-four years and when I worked for him I don't suppose I was worth twenty dollars a month. But we're going because he loves *you*. So don't, please don't, mention Charlie Farquharson."

It was early May. When we got there he came out of the barn, wearing his rubber boots. He was positively radiating towards Catherine. He had all her records.

I said, "Charles, I would like you to meet Catherine McKinnon Harron."

I know he was about to say something, but before he had a chance Catherine said, "By gol, Charlie, yuh got the Massey-Fergoosin right there on the lawn!" I couldn't believe my ears. After all, Catherine is a sensitive woman!

I don't quite remember exactly what happened after that. Somehow we ended up in the barn. He told me about going to Russia to see milk cows. Our daughter Kelly got a kitten from the barn — we still have it and it's named after him. That night Catherine sang for him, and his eyes glowed.

But later, going home in the car, I shouted, "Why did you do that?" and she replied (in a small voice), "I was nervous."

Charlie started in *Spring Thaw* in 1952. Mavor Moore said we needed four minutes to fill and I'd have to do it. Well, I can't sing, I can't dance, so I wrote a monologue about a farmer visiting the C.N.E. Because the real part of the C.N.E. is the guys who bring the cattle down. Those are the people who keep this country together. They keep saying that ninety per cent of this country will be urban, but food doesn't come out of cans, it comes out of the ground. And the family farm, believe it or not, is going to come back. Not yer agri-business.

We worry about political separation, but the whole world is separating. It's a kind of atomization, a trend towards getting things into smaller units so that we can handle them, believe in them. It's not just Quebec. It's people everywhere saying, "I can't handle that concept — it's too vague, too abstract."

There's an article in the *Globe and Mail* today about pay television. Would you pay to watch the TV you're watching now? I don't know. It seems to me that pay TV is really about the Canadian film business. Canadians don't seem to worry about Canadian content much — it's only the people in charge of the CBC who do, and wonder how they can compete.

But we worried about it in 1948. We did a series of Canadian plays and we asked ourselves, "How do you compete with the Royal Alex?" In those days there was no O'Keefe Centre — where they send all the empties. So we asked, "What does the Royal Alex do?" It had big shows from Broadway, it had chorus girls. Then we asked, "What hasn't it got?" And the answer was that it didn't have any jokes about Yonge Street. That's how *Spring Thaw* started. The only way it could compete, to get your attention, was to tell you things about yourself. It worked for twenty-two years, and now it's coming back. It'll be at the Royal Alex next month.

I have spent a lot of time outside this country. I left first in 1950, and most of the next sixteen years, give or take a Stratford season and a television show, I spent outside. That gave me the perspective to appreciate this country. And it's very simple. People *do* want to hear about themselves. They say, "How did you sell half a million books?" It's because they can see themselves in them. They read them, not because they feel better, not because it's a duty, but because they are interested in themselves.

On the program *Morningside*, which goes back to 1968, I get a lot of family audience, and as the unemployed rolls get larger, my audience gets bigger. But we believe that the people in this country are interesting. They are worth talking to, every day, for three hours. The more I do the job, the more fascinated I become with this country.

I have had interesting times abroad. I've done theatre in London and New York. I spent some time in Germany doing a television series called "The Man Who Never Was." This was not the one about Viscount Montgomery. This was about escaping from East Berlin to West Berlin. Donald Sutherland was an extra in one episode. I didn't last — I'm not the heroic type. The sponsor who had asked for me, said when he saw me, "Who is that? Get rid of him!"

But I remember filming in West Berlin, against the Wall, with the Volpos, the East Berlin police, about twenty-five feet, not yards, away — with their submachine guns, ready to plug me if I made a move in their direction.

Berlin, in 1964, was fascinating. I was in both East Berlin and West Berlin. Then we had to go to Salzburg in Austria to do the difficult scenes, where I had to vault over a railway barrier and throw myself under the wheels of a moving train and lie there, while it ran over me.

The director said, "Don't worry. You have a stunt man."

I met him. He was about my build, and he looked like a good double. So we got to Salzburg and on the morning of the shooting, he's not there.

I asked, "What happened to that man who looks like me?"

They said, "He's got chicken . . . *pox*." I wasn't so sure about the *pox* part. They said, "Tomorrow morning, you have to do it yourself."

I said, "W-h-h-hat am I going to do? Give me some advice."

And the director said, "Get yourself a jock strap."

So there I am in Austria with my high-school German and I go to a department store. I wandered around till I saw what looked like sporting equipment. I knew the two words for "I would like — Ich muchte" but from then on I did Marcel Marceau. The guy brought out a haversack.

Obviously I was overacting.

Finally he gave me to understand that I should try a specialized store. They have seven-storey sporting-goods stores in Germany and Austria. So I went to one. The first floor seemed to be full of sixteen-year-old girls, smiling, ready to wear. But I would have none of that. I ended up walking up seven flights of stairs, right to the top to the manager's office.

He said, "Can I help you?" in perfect English.

I said, "I don't know what you call it. We call it a jock strap."

He said, "It's a suspensorium. First floor."

By the time I got down, I'd forgotten the word.

I said, "Ich muchte eine condominium."

The girl said, "You want an apartment building?"

I said, "No, I want a . . . uh . . ."

She said, "Suspensorium."

I yelled, "That's it!"

She pulled open the drawer and said, "Ve haf three sizes — ze big, middle und liddles."

I said, "Uh . . . the middle . . . I think."

Then she said, "Oh, ve haf only ze liddles. Ha, ha."

So I said, "Well, I . . ."

She said, "You try."

I later learned that the sizes referred to the waist bands, but I didn't know that at the time.

She took me behind a screen, like a place where you go to vote. I said, "You go."

I put it on and it fitted, which depressed me entirely.

She said, "Is it all right?"

I said, "Yes, yes."

She shouted, "The liddle fits!" all over the store. It was a shattering day for me.

I went out to dinner, still wearing the condominium-suspensorium. At one point, I decided I had to take it off. So I went to the washroom. In Germany, they are called the "Herren" and the "Damen." I knew where to go — to the Herren. That's my name. There was a little lady in a black dress, smiling at me. I smiled back. I didn't know I was supposed to tip her. So I am standing there, in the washroom, when suddenly there is a tug. It's the little lady with the tray. I think I must have given her twenty marks, just to get rid of her. By that time I was in such a catatonic state that I couldn't do anything. I wasted the twenty marks. So I decided to wash my hands, but I couldn't find the taps. In that part of the country, they are on the floor. But by then I was so paranoid I didn't know what to do.

Suddenly a hand grabbed the back of my thigh and moved my leg all about until I hit the tap on the floor and the water spurted out. It was the little lady, showing her gratitude for the twenty marks.

The next day, I did my stunt willingly. It was nothing to jump over a railing and roll under a train.

Now I have been back in Canada for thirteen years. I came during that glorious summer of Expo. I suppose we've never seen its like before or since. I have never regretted coming back. I am now a celebrity. I was in a supermarket the other day and a woman said, "Who are you? Don't tell me. Let me guess."

But she didn't guess, so I said I was Don Harron.

"Oh, my favourite," she said.

Then she went over to another department and started to talk to a lady (I could see them through the soup cans) and she said, "You told me that was Uncle Bobbie."

That is fame indeed.

The thanks of the club were expressed to Mr. Harron by Reginald W. Lewis, a Past President of The Empire Club of Canada and Treasurer of The Empire Club Foundation.

APRIL 17, 1980

Ontario's Response to Sovereignty Association

AN ADDRESS BY The Honourable William G. Davis,
PREMIER OF ONTARIO

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: The Honourable William G. Davis is today making his sixth appearance as guest of honour at The Empire Club of Canada. Creatively introducing someone who is very well-known to an audience that has welcomed him frequently is a challenging assignment; one solved by our President at the time of Mr. Davis's last visit, the resourceful Reg Lewis, by assembling an anthology of the earlier introductions of the Premier by previous Presidents. General Lewis put together the evolution of wit and wisdom of Past Presidents Royce, Jackman, Armstrong and Karn in an introduction which he entitled, "This Is Your Empire Club Life — Bill Davis."

It was an imaginative technique, but one that it would be unfair to repeat today. However, one thing that does bear repeating is the observation made each time the Premier comes, namely that the large attendance for him underscores the popularity of and respect for Mr. Davis who continues to be one of the Empire Club's most successful draws. In fact, by the measure of the box office, it appears that our Premier is at least as popular, to choose an example from the world of entertainment, as say, Lawrence Welk.

For those of you on whom that comparison is lost I remind you that it was not too long ago that the Leader of Her Majesty's Loyal Opposition in Ontario attempted to disparage the Premier by referring to him as "the Lawrence Welk of politics."

In commenting on the nickname given to Mr. Davis, George Hutchison of *The London Free Press* wrote that the opposition leader "meant the Welk witticism as a clever insult, but it might not be taken as a legitimate putdown by the provincial population who identify with the bandleader's dependable style, his firm control over his musical organization, his remarkable staying power."

The attempted putdown, ladies and gentlemen, accents the fact that the Honourable William Grenville Davis is, by every measure, a maestro. I hope, Sir, that you will not regard it as too presumptuous if I suggest some tunes you might add to your repertoire.

For example, for the N.D.P. leader Michael Cassidy, whose electoral prospects appear bleak but who soldiers on determinedly, you might dedicate the song "The Impossible Dream" from the Broadway hit, *Man of La Manchia*. Or for Liberal leader Stuart Smith, who wants an election but can't get one, an appropriate musical response might be the Rolling Stones 1965 golden record, "I Can't Get No Satisfaction." Bob Dylan has two pieces that could be dedicated to your friends in Ottawa: For Joe Clark, still contemplating the setback of February 18, the song "I Threw It All Away," and for Pierre Trudeau, his theme song during the last election (one that apparently still enchants the electorate), "Don't Think Twice It's All Right." And, Sir, for yourself as Premier in a province that has been electing your party to govern for almost forty years, you might play the long-time favourite melody "My Blue Heaven."

To extend the music analogy one step further, and in a more serious way, the task of Bill Davis in the weeks and months ahead will be to concern himself not with simple melodies but with harmony. Of harmony, music historian Robert Hickock has written:

> Virtually all Western music depends heavily on the element of harmony as an expressive and structural force. While melody constitutes the horizontal aspect of music, harmony represents the vertical. A harmony is a composite sound made up of two or more tones of pitch that sound simultaneously. It is important to understand that the tones making up a harmony are not heard individually. Instead, they fuse into a composite sound that has its own distinctive characteristics and quality."

For everyone in this room, a harmonious Canada is what we seek and we listen with apprehension to the dissonant sounds coming from different parts of our country. The period ahead of us, not just the five weeks leading up to the referendum in Quebec but also the months and years after, will require an Ontario leader who can organize our province's response to those who fail to understand the richness of the composite that Canada has become and the potential cultural poverty of a country that breaks down into its individual parts.

Premier Davis is in a position, both through his office and more importantly through the respect with which he is held throughout Canada as a senior statesman, to play Ontario's historical leadership role in the constitutional debates that are sure to follow May 20, no matter what the outcome of the referendum.

Repeatedly he has demonstrated his skills at bringing people together and those skills will be called upon increasingly in the period ahead.

Ladies and gentlemen, it is always an honour for the Empire Club to host a Premier of Ontario; today the visit of Premier Davis, coming as it does just two days after the referendum campaign has begun, has a special importance and his message is one that we are all eager to hear.

Therefore, ladies and gentlemen, I ask you to join me in welcoming the Honourable William G. Davis, Premier of Ontario.

HON. WILLIAM G. DAVIS:

Mr. President, my colleagues in the provincial Legislature, Your Excellency, ladies and gentlemen: Earlier this week, the Premier of the Province of Quebec announced the date for the Quebec referendum. I personally cannot think of any election date, referendum date, or any other date in my lifetime which is as important to the survival of this country, perhaps save for the outbreak of war in 1939.

I say that not to be alarmist but to be frank and honest with you about the nature of the issue. You had a very distinguished person speaking to you some weeks ago who was no doubt plausible when he presented certain points of view. But you will hear something different today.

There are some who have said that Canada would never be quite the same after November 15, 1976 and the election of a Parti Québécois government in Quebec. I have been in politics long enough to know that governments that are democratically elected can also be democratically defeated and so the election of any particular government has never been, in the historical sense, all that significant.

The date that has been called for the Quebec referendum has nothing to do, explicitly, with any particular political party or its fortunes. The people of Quebec are being asked to pronounce upon their commitment to this country, and the role which they wish to play in this nation's future. When they do so, they will be making a determination that will have tremendous impact upon the future we all share as Canadians.

I know that there are many in Quebec who reject the proposition that voting "yes" or "no" is a matter which is a definitive decision.

There are many in Quebec who believe that they can vote "yes," not because they are in favour of sovereignty association, but because they would like to see a negotiation process move forward to achieve a constitutional reorganization for Canada that is something different from the status quo.

The government of the Province of Quebec, and those marshalling the forces on the "yes" side, are encouraging Quebeckers to believe that nothing will change the day after a "yes" vote. Indeed, that was the basic thrust of Premier Lévesque's address in the debate in Quebec's National Assembly on the referendum question itself.

For those who wish the ultimate and total independence of the Province of Quebec, an affirmative response by the people of Quebec to the "yes" proposition will be seen and used as a major step down that road.

For those in English-speaking Canada who are committed to constitutional change, to better meet the needs of our communities, provinces, and language groups, a "yes" vote by the people of Quebec would be a terrible setback and a major frustration.

While there may be many in Quebec who are being encouraged to believe that a "yes" vote does nothing but mandate the present government of that province to negotiate a better deal for Quebec, one should not separate one part of the question being asked from the other. The particular proposition being put forward, and that which the government would like a mandate to negotiate, is *sovereignty association.*

Sovereignty association has been overwhelmingly

The Honourable William G. Davis, Q.C., Premier of Ontario; Charles S. MacNaughton, Former Treasurer of Ontario; John A. MacNaughton, President, The Empire Club of Canada.

rejected throughout this country. It has been rejected by governments of all three political stripes. It has been rejected by every provincial premier outside of Quebec.

The people of Quebec are being asked, therefore, to give a mandate to their government to negotiate a proposition which Canadians, through their governments, have already said they will not accept.

The governments of Canada have better and more honourable things to do than work on an idea that, by stealth, would extinguish our common citizenship while imposing on *both* our communities an incoherent and unworkable form of government.

The spokesmen for sovereignty association remind me of that mythical nineteenth-century Englishman who happily assumed that everyone in the world would understand what he meant if he shouted loudly enough.

Sovereignty association is the polite term for the breakup of Confederation, and it has no associates in this country. Negotiations to even pursue such a proposal have no negotiators.

It is my sincere hope that the federalist forces in the Province of Quebec can convey this message to the people of Quebec in this important referendum campaign.

This is not a threat or an ultimatum. It is a simple and undistorted statement of fact and Mr. Lévesque deludes himself and the people of Quebec if he thinks or preaches to the contrary.

Indeed, all the room to negotiate — all the room to find creative new dimensions for Canada, to find new structures, new federal-provincial relationships, all the capacity to build on a mutual respect and trust — these are only liberated by the "no" option in the present Quebec debate.

Let our position, the position of this province, remain crystal clear to our compatriots in Quebec: this government will go anywhere, any time, and negotiate with anyone to accommodate constitutional reform and change which will strengthen the capacity of Canada to better serve the regions, the language groups and the provinces of our nation. Our minds and hearts are open. Our spirit is positive and creative.

Sovereignty association, on the other hand, would, as a proposition, stem the creativity and weaken the commitment. Just as we would leave no stone unturned — in the context of progressive constitutional reform — we would not be part of, and we fully oppose, any negotiations, at any level, at any time, on sovereighty association.

Let no one misjudge the intensity of our views on that. I know that Mr. Lévesque regards me, as an English-speaking Canadian, as something of a pragmatist. I am on some issues. But I have said to him that he should never underestimate my emotional commitment to this nation, the emotional commitment of the people of this province to Canada. We may be pragmatists. We may be looking for workable solutions. But there is, in Ontario, a very deep-rooted loyalty to Canada as a nation, and to underestimate that attachment would be a mistake.

I believe Mr. Lévesque has managed to confuse a great many people on his referendum question. Outside Canada, the news media generally are taking the simplistic approach that on May 20 Quebec will vote on whether it will stay within Canada.

One can understand why outsiders might have trouble understanding or appreciating the more subtle procedures involved. But none of us — especially our fellow Canadians in Quebec — should lose sight of the fact that Mr. Lévesque and his colleagues are playing a costly game of semantic roulette and for them the big prize, and they have not lost this objective, is the breakup of a nation.

Ladies and gentlemen, it is a game in which *everyone* is going to lose if the separatist forces are successful. From a cultural, social, economic or political perspective, a Quebec set adrift on the North American continent is no victory for Quebeckers — or for the rest of Canada.

Those who will be voting "yes," whatever their intentions, will in fact be voting to frustrate serious negotiations, and workable change. The result of their vote will be a closing of minds and a hardening of attitudes in English-speaking Canada that will set the cause of this country back many years.

I reject, completely, the proposition advanced among certain people on the "yes" side, that only Quebeckers want constitutional change and only Quebeckers are dissatisfied with the way in which our federal system works.

While one cannot look at the general state of well-being, security, and quality of life in this country without reflecting on how well our system works when compared to many others around this world, Canadians from coast to coast, for their own reasons, have a legitimate desire to see constitutional reform. Those in Quebec who think it is only they who wish it are either badly informed or are refusing to face the facts.

My colleague and debating opponent from time to time, the Premier of Alberta, was in our fair city yesterday and anyone who is aware of Alberta's aspirations and concerns cannot but believe that they, too, would like to see significant constitutional change. Anyone who suggests that they are not interested is making a mistake. The Province of British Columbia has put forward serious and detailed proposals in that respect. Premier Blakeney of Saskatchewan and our Atlantic premiers have been forthright in their desire to see significant constitutional changes in various respects.

Here in Ontario, dating back to the Confederation of Tomorrow Conference called by my predecessor, John Robarts, and, more recently, through the tireless efforts of the Advisory Committee on Confederation headed by Ian Macdonald, President of York University, our province has put forth a series of options with respect to constitutional change. These would significantly alter our federal institutions. I could digress for a moment to go back to 1971 when we came very close to significant constitutional change at the Victoria Conference — changes which were accepted by the Premier of this province (myself), and by the then-Premier of Quebec. It is a matter of great regret that those changes were not accepted by the Legislatures of this country to become part of the process of change. My view is pretty basic. Any change that would strengthen the capacity of Canada to be more sensitive to regional and provincial needs, without (and I emphasize this) eroding our traditions or weakening the ability of our national government to do the job Canadians expect it to do, is acceptable, from my standpoint, as a basis of discussion. I will not be part of any program of change which leaves the national government unable to deal properly with financial, economic and fiscal issues.

It may very well be that part of the strategy being advanced by those who would have Quebeckers vote "yes" is that of bringing about a situation where Quebeckers are isolated from the rest of the country.

If you think about that proposition for a moment, it becomes rather clear that the greater the success of the Parti Québécois forces in increasing the sense of isolation on the part of Quebeckers, the greater their progress is apt to be towards their ultimate goal of total independence for Quebec. I have read nothing, I have seen nothing that indicates to me that Premier Lévesque and his government have in any way altered their basic desire, and that is for political independence from the rest of Canada. It is that sense of isolation which poses the greatest threat to Canadians from coast to coast and it is that threat we must all oppose.

Quebeckers are making the decision they are being asked to make on May 20 as Canadians. The issue which they are discussing is as Canadian an issue as the pricing of oil, the nature of the auto pact, or reform of the Senate.

Our collective duty is clear. We must speak directly about the common partnership that Canadians share. We must seek to strengthen Confederation through reform and constructive change and through a new constitutional understanding based upon mutual respect and common interest.

I will be going to Quebec to make precisely that case before the referendum vote is cast.

I am aware of the dangers of those outside of Quebec going to that province during this highly politicized time, and I know that those involved in the "yes" campaign may try to suggest that outsiders are not welcome. Let them choose to call the Premier of this province or any other province an outsider, if that is their will. But they will be wrong.

Quebec and her people are a vital part of my country. Her cities, towns and villages are as much part of my heritage, my homeland, and that of my children, as they are that of Premier Lévesque.

I will respect the referendum rules but I will speak openly and frankly about the future of this country. No one will limit my right to do that.

Some have already asked how my presence and involvement will fit with the referendum rules, and I have reminded them of some other pretty fundamental "rules" that exist for *all* Canadians in *all* parts of Canada. And one of these is freedom of speech — a right I am not about to abandon, especially when the subject at hand is the very strength and survival of Canada as a nation.

The Legislature of Ontario will be having a debate on Confederation within the next few weeks. I am confident that we will reach a level of consensus on the issue of constitutional reform and on the major issue of national unity and sovereignty association. This should speak eloquently to the people of Quebec in a fashion that reflects the good will, the commitment to co-operation, to constitutional reform, and the commitment to Canada of all the people of Ontario.

I expect no major partisan division in our Legislature because, despite those divisions which separate the three parties, no individual, no single party, has any monopoly on concern for Canada.

The people of this province and the people of Canada know by now that the commitment of the Government of Ontario to do all that it can in the area of constitutional reform is genuine and sincere.

Similarly, our commitment to challenge any effort to balkanize or weaken this country must be regarded not only as genuine but definitive and tough-minded.

The Honourable
William G. Davis,
Premier of Ontario

The decision by the chairman of the Alberta Energy Marketing Commission to deny equal status to Petrosar Canada, of Sarnia, to feedstock from the Province of Alberta constitutes just such a threat. It is an assertion that for Canadian companies, and for those who are employed by those companies, there are now classes of citizenship, determined by whether one is, or isn't, situated in Alberta, and being determined by a commission of one province.

I reject utterly any suggestion that a Canadian corporation engaged in the petrochemical business in the Province of Alberta has any greater right of access to Canadian oil and gas than a Canadian corporation situated geographically in Ontario. Any suggestion otherwise constitutes a threat to the capacity of Canada to survive as a sound economic unit.

It may very well be that it is Alberta's thought that this serious action will serve as a bargaining chip for them to use in a larger poker game with Ottawa. It may very well be that the difficulties caused by this action can be dealt with through negotiations in good faith between the Government of Canada and the Government of Alberta.

I hope that is the case. However, the Ontario Government cannot be equivocal about what is their declared position.

Actions of this nature, by this Alberta commission, limit the capacity of a Canadian corporation, owned, by the way, by the people of Canada, situate in our province, to pursue legitimate business activities through the use of Canadian feedstocks to produce petrochemical products.

The people of western Canada have a tremendous investment in this country. It is an investment that has been made through years of hard work on the part of thousands of citizens in building the resource base, building our grain and livestock industries, building our pulp and paper and fishing industries. It is an investment from which this country has benefited greatly.

Ontarians, I know, are eager to see the West do well.

I happen to believe that if we have a fair pricing system for energy, and if we have an appropriate fiscal structure in this country that allows for the fair distribution of energy revenues throughout the economy, that western Canada's good fortune can and should be Canada's good fortune, as well.

The billions of dollars of equalization (some people's memories are very short) payments which flowed out of this province both east and west in support of Canadian provinces, where economic performance did not provide for comparable levels of service, was an investment that Ontarians made, from their paycheques, in the future of this country. That's why it was done. I believe we did it willingly and I believe we are still prepared to make that kind of investment.

At the present time, the Ontario consumers' energy dollars flow into the budgets of the resource provinces. Those surpluses increase the per capita revenue per head for those governments, thereby forcing the present equalization formula to have Ottawa send money to have-not provinces to make up the difference. When Ottawa sends out that money, the people of *this* province pay over forty per cent of that cost as federal taxpayers.

Without a fiscal system that accommodates energy flows in an appropriate and balanced fashion, funds which move west because of energy costs are not producing investment and growth in the consuming provinces. And gradually, if there is not some alteration, those governments will lose their own fiscal capacity to do the job their taxpayers expect them to do without unfairly increasing the taxpayers' burden.

That, very simplistically, is the ultimate peril that letting the present situation continue holds for all Canadians.

Part of why we have taken the strong position we have on Petrosar is to make the case that *as Canadians* we must begin to act as Canadians on these problems now. We cannot let them fester, we must not circumvent them through fear of honest debate.

Letting those problems fester rather than facing up to them would be a very large admission of our incapacity to face the challenge of nation-building.

Whether it be on the issue of the referendum in Quebec, or on the question of fair treatment of energy cash flows, the question of a province limiting the ability of a company in another, the issue of *one Canada* is the only issue that has ever counted for the people of Ontario or for the government which I lead.

Too many people have worked and sacrificed for Canada, too many have battled in long political struggles, over a hundred years ago, to build a consensus that brought this country about, for the generation of which you and I are a part to sit idly by as the new stresses threaten to tear our nation apart.

Doing what is necessary to sustain Canada and to advance Canada is not always easy and will require some tough-mindedness and frankness from all those with public responsibility.

I offer you and the people of this province an explicit commitment that there will be no lack of either of those qualities in the actions or initiative of the Government of Ontario.

If we each do our part, if we each face up to our own fair share of the tough issues and have the courage not to back down, this nation *will* be sustained. The full promise and opportunity of its future will be the inheritance of our children and their children.

There could be no more appropriate private or public goal for every citizen of our nation.

The thanks of the club were expressed to Mr. Davis by Robert H. Hilborn, a Past President of The Empire Club of Canada.

APRIL 24, 1980

President's Report — Annual General Meeting

CHAIRMAN The President, John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: Our weekly notices for the last several meetings have advised that our Annual Meeting was to be held on this date. I have asked our Club Secretary, Leland Ausman, to act as Secretary for the meeting.

Article VI, Section 2, requires that at this meeting the President submit a report on the year's proceedings and work and that members be provided with an interim report on our financial affairs. The information has been printed and copies have been placed on each table. In the interest of time I will not read it, but I do move its acceptance.

PRESIDENT'S REPORT

It is my pleasure to submit this report on the proceedings and work of The Empire Club of Canada during the first year of its fourth quarter-century.

Speakers Program

The 1979-80 program of The Empire Club of Canada continued our tradition of providing a forum for speakers of differing points of view and varying intellectual and professional interests.

Members were provided with an opportunity to look beyond the borders of our own country through the addresses of the Honourable Flora MacDonald, Secretary of State for External Affairs, who spoke of Canada's role in the international community; Wilbert H. Hopper, Chairman and Chief Executive Officer of Petro-Canada, whose knowledge of world petroleum markets is widely respected; Ian R. Wilson, Vice-Chairman of The Coca-Cola Company, who is a multinational business leader in the broadest sense of the word; W. Ross DeGeer, Agent General for Ontario in the United Kingdom, who encouraged members to pursue commercial opportunities in Europe; and the Rt. Hon. Lord Roll of Ipsden, Chairman, S.G. Warburg & Co. Ltd., whose grasp of global economic and monetary issues was impressive. At one of the most enthusiastically attended meetings of the season, investment fund manager John M. Templeton explained his strategy for successful investing in equity markets around the world.

On domestic economic issues we heard from the Honourable John C. Crosbie, Minister of Finance, who won the respect of his audience for his candour, humour and determination and the Honourable Herb Gray, Minister of Industry, Trade and Commerce, who was guest of honour at our annual meeting.

The club was privileged to provide a platform for two dedicated Canadian champions of human rights — R. Gordon L. Fairweather, Chief Commissioner, Canadian Human Rights Commission and His Eminence, Gerald Emmett Cardinal Carter, Archbishop of Toronto.

Speakers representing the arts addressed us on three occasions. Our members were charmed by violinist Isaac Stern who visited us during an engagement at Massey Hall; they welcomed an opportunity to hear of the plans of the Canada Council from its Chairman, Mavor Moore and they relished the humour and insights of Don Harron, actor, playwright and radio host.

Associate Professor of Middle East and Islamic Studies at the University of Toronto, Dr. Hadia

Dajani-Shakeel informed us of the religious basis for the social, economic and political developments in the Islamic world. Dr. Terence Kavanagh, Medical Director, Toronto Rehabilitation Centre, presented a heartening paper on the progress being made in rehabilitation medicine.

The club held two celebration events during its season. The first took place in October when we joined the Canadian Club of Toronto to salute the fiftieth anniversary of our mutual "clubhouse," The Royal York Hotel, where both organizations have been meeting since it opened in 1929. Guest speaker for the meeting was J. Kenneth Dakin, Executive Vice President of Canadian Pacific Air Lines Limited.

The second was our annual Christmas Party which this year drew a record crowd of 1,069, including our beloved Honorary Vice-President, the Honourable Pauline McGibbon, Lieutenant Governor of Ontario. Music for the event was provided by the Oriana Singers under the direction of John Ford.

Through this diversity of program ran a common thread: Canada, its governing and its future as a nation. The focusing of the program on this topic was justified by the coincidence of three events within the club year that will be scrutinized by historians for generations to come: the general elections of May 22, 1979 and February 18, 1980 (each of which produced a change of government) and the commencement of the Quebec referendum campaign.

During the election campaigns our platform was offered to each of the three major parties. In 1979 it was accepted by Opposition Leader Joseph Clark (who spoke in the Lewis year) and New Democratic Party Leader Edward Broadbent. In the 1980 election we hosted the Honourable Jean Chrétien who spoke for the Liberals, Mr. Broadbent who again represented the New Democrats and, for the Progressive Conservatives, the Right Honourable Joseph Clark, Prime Minister of

Canada. For an enlightening and entertaining electoral post mortem we were addressed by Geoffrey Stevens, Ottawa Columnist and Associate Editor of *The Globe and Mail*.

On Canada and its future (or perhaps more accurately in some instances, Quebec and its future) we heard addresses by the Honourable Pierre-Marc Johnson, Minister of Labour in the Government of Quebec; the Honourable René Lévesque, Prime Minister of Quebec and Leader of the Parti Québécois; the Honourable R. Roy McMurtry, Ontario Attorney General; the Honourable A. Brian Peckford, Premier of Newfoundland and Labrador; and finally, two days after the referendum campaign began, by the Honourable William G. Davis, Premier of Ontario.

Concerning the governing and future of our country, it is unfortunately not possible to say that there was a happy consensus amongst these men. However, it can be said that they all delivered carefully considered statements with passion and sincerity. Their addresses will all be recorded in our yearbook and their juxtaposition in one volume should provide future generations with a valuable insight into an era of intense political debate.

The Empire Club Foundation

The yearbook just referred to is, as is well known, the annual labour of love of The Empire Club Foundation under the Presidency of Major General Bruce J. Legge. Through their work the book will be published and distributed free of charge to all public, university and secondary school libraries in Canada.

The Foundation's 75th anniversary initiatives came to fruition during the current year. The anniversary yearbook, an impressive volume of 527 pages, includes three 75-year indexes — of portraits, speakers and speeches. It is an invaluable reference tool. In addition, *The Best Talk In Town*, authored by Scott Young and

Margaret Hogan, was published and made available to members and the public at large through commercial distribution. It is a lively commentary and contains excerpts from some of the finest addresses to the Empire Club during its three-quarters of a century.

Finance

The club had a successful financial year. It is estimated that revenues will exceed expenses by approximately $19,000. This will improve the club's surplus position from approximately $5,000 to approximately $24,000. The Empire Club's current fiscal year ends on April 30, 1980, and the financial statements, together with the Auditor's Report, will be printed in the yearbook.

The margin of revenues over expenses came from the following three sources: increase in the number of paid members, increase in the annual membership fee to $25.00 and contributions from special luncheons.

Membership

At today's date the membership of the club is as follows: honorary members 11, life members 126, renewals 1,880, new members 840, for a total membership of 2,857. I am pleased to report that this represents an 11.8 per cent increase in the number of members, up 302 from the previous year's total of 2,555.

Attendance

Average attendance at our twenty-seven luncheon meetings, including our Christmas Party, was 450.

Committees

The work of the Empire Club is undertaken by many willing and competent people. I am sure the members would wish me to express their thanks to them, especially to the following who served as Chairmen and Vice-Chairmen of our Board of Directors Committees:

Budget and Finance:	Ronald Goodall, Chairman
	Hugh P. Stewart, Vice-Chairman
Attendance:	J. A. Wm. Whiteacre, Chairman
	John D. Herrick, Vice-Chairman
Head Table:	Douglas L. Derry, Chairman
	Walter Borosa, Vice-Chairman
Head Table Reception:	C. (Bud) C. Hoffman, Chairman
	Malcolm McIntyre, Vice-Chairman
Past President's Dinner:	Vladan Milic, Chairman
	Jerry A. Collins, Vice-Chairman
Constitution and Legal:	R. Bredin Stapells, Chairman
	H. Allan Leal, Vice-Chairman
Membership Committees:	
Renewals:	Sir Arthur Chetwynd, Bt., Chairman
	Robert L. Armstrong, Vice-Chairman
Directors:	Ian D.C. McPhail, Chairman
	David A. Rubin, Vice-Chairman
New Directors:	Henry J. Stalder, Chairman
	Reginald Stackhouse, Vice-Chairman
Members:	Terrence Tyers, Chairman
Reception:	Clarence B. Crummey, Chairman
	Dr. James A. Parish, Vice-Chairman
Planning:	John G.B. Strathy, Chairman
	Arthur J. Langley, Vice-Chairman
Publicity:	A. Carlyle Dunbar, Chairman
	Nona Macdonald, Vice-Chairman
Yearbook:	Reginald W. Lewis, Chairman
Christmas Party:	George O. Stafford, Chairman
	Michael A. Stevenson, Vice-Chairman

Betty McAdam, Secretary, John A. MacNaughton, President,
Eleanor Cook, Executive Secretary,
The Empire Club of Canada.

On behalf of members thanks are also due to our Executive Secretary, Eleanor Cook, and our Office Secretary, Betty McAdam. We had a busy year and their experience and dedication throughout the year were essential in keeping our administrative affairs in order. The staff of the Royal York Hotel performed throughout the season with professionalism that is appreciated greatly. Our close association with the hotel is one of the Empire Club's most valuable assets.

In a personal way I wish to record my appreciation for the efforts of my secretary, Ann Krallisch, who has assisted me throughout the year with the countless details involved in serving as President of the Empire Club.

Finally, and most importantly, I acknowledge my thanks to my wife, Gail. Her enthusiasm for my involvement in the Empire Club has been as full as my own and in every way it has been a shared experience for us.

Ladies and gentlemen, this report is respectfully submitted with heartfelt thanks for the privilege and pleasure of serving The Empire Club of Canada, an organization for which I will continue to have respect and affection.

May I have a seconder?

Seconded by Les Parkinson, that the President's report be accepted. Carried.

Ladies and gentlemen, before calling on our distinguished Past President, Reg Lewis, to report on the work of his Nominating Committee, I wish to say a personal word.

Ernest Hemingway once wrote to a friend, "If you are lucky enough to have lived in Paris as a young man, then wherever you go for the rest of your life it stays with you, for Paris is a movable feast." I was fortunate enough to have lived in Paris for a short time so I can attest to the accuracy of that observation.

In a very similar way I am certain that serving as President of the Empire Club will also be a movable feast, one that will stay with me for the rest of my life. I look forward, in the years ahead, to calling up and savouring again and again the memories of this remarkable year — the strengthened bonds with former acquaintances, the scores of new friends, the privilege of meeting and learning from the men and women who have been our guest speakers.

To you, the officers, directors and members of The Empire Club of Canada, I say a most sincere thank you for the privilege of serving this important Canadian institution. The pleasure has been full and I will remember it always. Thank you.

Ladies and gentlemen, I now call on the Chairman of our Nominating Committee, General Reg Lewis.

REPORT OF THE NOMINATING COMMITTEE

GENERAL LEWIS:

Mr. President, Consuls General, distinguished guests, ladies and gentlemen: It is my pleasure to report for the Nominating Committee of The Empire Club of Canada, which this year was comprised of Catherine R. Charlton, John G.B. Strathy, Terrence Tyers, William Whiteacre, and myself, which five persons were drawn from the Board of Directors, and Marvin Gelber, Bruce Legge, Joseph Potts, and Bredin Stapells, who were drawn from the general membership. Our President, John MacNaughton, advised the Nominating Committee in his ex officio capacity.

The Honorary Officers of the club are: Honorary President, His Excellency the Right Honourable Edward Schreyer, Governor General of Canada; Honorary Vice-President, the Honourable Pauline McGibbon, LL.D., D.V. (Ott.), Lieutenant Governor of Ontario; Honorary Chaplain, the Very Reverend Ernest M. Howse; Honorary Secretary, Willis Blair; Honorary Treasurer, Marvin Gelber; Honorary Auditor, H.T. Jamieson; Honorary Solicitor, the Honourable John Robarts; Honorary Assistant Secretary, George Stafford; Honorary Assistant Treasurer, John Fisher.

The Directorate of The Empire Club of Canada is comprised of forty members. Our incumbent President, Mr. John A. MacNaughton, will continue to be a Director as the immediate Past President. The three other Past Presidents who, as required by the constitution, will continue to serve as Directors will be: William M. Karn, Peter Hermant and Reginald Lewis.

The Treasurer will be Ronald Goodall, C.A., and the Secretary will be Leland Ausman.

It is my pleasure and that of the Nominating Committee to recommend that the following members of the Board of Directors continue to serve: Setrak Adourian, Sarah A. Band, Walter Borosa, Donald H. Carlisle, Jerry A. Collins, Clarence B. Crummey, Douglas L. Derry, A. Carlyle Dunbar, John D. Herrick, Montague Larkin, Nona Macdonald, W. Malcolm McIntyre, Ian D.C. McPhail, Vladan Milic, Dr. James A. Parish, Rev. Harold F. Roberts, R.A. Robertson, David A. Rubin, Henry J. Stalder, Gordon G. Steele, Lt. Col. Michael A. Stevenson, Lt. Col. Hugh P. Stewart, Gordon W. Swayze, Terrence Tyers, Rev. J. Robert Watt, J.A. Wm. Whiteacre.

As new members of the Board of Directors, it is our pleasure to recommend J. Patrick Boyer, Robin Chetwynd, Barnett J. Danson, Harry Seymour and Walter Pitman. Mr. Seymour had previously served the Board faithfully as a Director until he was transferred to Montreal. Now, upon his return to Toronto, we are happy to recommend that he rejoin the Board.

Because of business pressure and related commitments, our First Vice-President Charles Hoffman has regretfully had to decline to accept increasing responsibilities in our club. Consequently Mr. Hoffman has resigned as an officer of the club. However, your Nominating Committee is delighted that this hardworking member of the club has agreed to stand as a Director of the Board.

We have the honour to propose to you the following for Vice-Presidents: First Vice-President, Brigadier General Steven F. Andrunyk, O.M.M., C.D., President and General Manager, the Ontario Safety League, and Commander of Central Militia Area. For Second Vice-President, we nominate Peter Hunter, President of McConnell Advertising, who had previously served as a member of the executive of the Empire Club until business pressures dictated otherwise, and we welcome the opportunity to see him serve once again as a Vice-President. And for Third Vice-President, Catherine R. Charlton, Director of Public Affairs, Business Council on National Issues.

I now come to that most important position in the club, the Presidency. Your committee is proud to nominate to become the seventy-eighth President of the Empire Club, the Reverend Dr. Reginald Stackhouse, Principal of Wycliffe College, University of Toronto. The Nominating Committee is very fortunate in being able to make this recommendation to you.

Reginald Stackhouse is an extremely well known academic theologian as well as being a renowned public servant. In the church he has been, in turn, a member of the Executive Committee of the Diocese of Toronto, a member of the Provincial Synod of Ontario, and a member of the General Synod of the Anglican Church of Canada.

He served as Rector of St. Matthew's Church, Islington, and also St. John's Church, West Toronto, prior to becoming an Associate Professor of Wycliffe College where he was in turn, Professor, Vice-Principal, and then in 1975 appointed Principal.

His public service has seen him serving as a member of a Board of Education, as a Trustee of a Library Board, Chairman of the Board of Governors of Centennial College, Scarborough, a member of the Ontario Council of Regents, and a member of the Parliament of Canada from 1972 to 1974.

His impeccable educational qualifications were obtained at the University of Toronto and Wycliffe College, and also include a Ph.D. from Yale University.

It is singularly fortunate that your committee is able to recommend as President one who, by example, has shown to us he has the presence, industriousness, and public-speaking ability which are in the best traditions of our club. Not least of all, Reginald Stackhouse is blessed with a fine sense of humour.

Before moving the adoption of this report, I want to take this opportunity, if you will indulge me, of publicly paying tribute to the magnificent contribution to our club made by our incumbent president, John A. MacNaughton. His program of speakers has been unmatched in my memory; the attendance at his meetings has been unparalleled; and the growth of our membership under his stewardship has been outstanding.

I am delighted that the traditions and constitution of our club require that our President will, with his many talents, continue to serve on our Board of Directors.

Ladies and gentlemen, it is my pleasure to move the acceptance and adoption of this report and to propose Dr. Reginald Stackhouse as the seventy-eighth President of The Empire Club of Canada.

MR. MACNAUGHTON:

Thank you, General Lewis.

Is there a seconder for the report just submitted? The report is seconded by Gordon Steele. All in favour? Carried.

Ladies and gentlemen, it is proposed by General Lewis that the names brought forward be elected to serve in the 1980-81 year of The Empire Club of Canada. Are there any further nominations?

It is moved by Carlyle Dunbar and seconded by Gordon Swayze that nominations be closed.

Those in favour of the motion say aye. Carried.

I ask our Secretary, Mr. Ausman, to cast a single ballot in favour of those Directors named in the report of the Nominating Committee.

MR. AUSMAN:

Mr. President: As Secretary, and under the terms of Article III-3 of the Constitution of

The Empire Club of Canada, I hereby cast this single ballot in favour of those whose names have been read by the Chairman of the Nominating Committee as members of the Board of Directors for 1980-81.

MR. MACNAUGHTON:

I now declare those members properly elected as Directors of The Empire Club of Canada for our seventy-seventh year. It is my pleasure to congratulate our President-designate, Rev. Dr. Reginald Stackhouse, to pass to him the Chain of Office and to invite him to address us now.

DR. STACKHOUSE:

Mr. Chairman, Mr. President, Mr. Minister, distinguished visitors and guests, fellow members: Thank you for the honour you have given me, an honour I respect deeply. The succession of presidents from 1903 to at least 1979 was impressive. Its number included a Governor General of Canada, an Archbishop of Toronto, three premiers of the province, and a Chief Justice of Ontario, as well as many other distinguished citizens. They, of course, only reflected the membership of the club itself. It has been the leading public forum of Canada not only because of the speakers it has attracted, but also because of the audience they have been given. To occupy the chair of such a forum is, therefore, a privilege to value highly.

Understandably it is also a challenge, and greatly so because of John MacNaughton. In view of the unceasing devotion he has given this office, I know he must be already savouring the sweet taste of his new title, Immediate Past President. But he should also know that the retirement he justly welcomes, his fellow members equally regret — and none more so than his successor. It is a good strategy in shaping one's career to follow failures and thus to have nowhere to go but up. Clearly I am doing the opposite, and now live with a dread that the cycle affecting the business world may overtake the club as well. The presidency of John MacNaughton has been marked by an increase of membership, an up-turn in attendance, a succession of outstanding speakers, all presented by introductions that have been models of grace, clarity, often ingenuity, and always, "a touch of class." You can appreciate, therefore, he is not the kind of president one would choose to follow. For that reason, I have found my nights recently visited by an angel offering three wishes:

1. May every distinguished speaker I invite accept.
2. May everyone who accepts show up.
3. May all of us renew our memberships!

Planning of the program has begun, and we have great expectations for the year ahead. But realizing that hope is fulfilled in direct ratio to the effort expended, I request that the new Board of Directors assemble after the meeting adjourns. To adapt the words of Robert Frost: We have many promises to keep, and miles to go before we sleep. But our efforts will be worthwhile.

What can be called a creed for the club was given at the Past President's Dinner in January by Mr. Sidney Hermant: "We believe in the crown; we believe in the Commonwealth; we believe in the rule of law and not of men; we believe the state was made for the individual." It is a privilege to work for a club with those beliefs. Canada needs the Empire Club and what it represents.

APRIL 24, 1980

National Purpose and Future Industrial Development

AN ADDRESS BY The Honourable Herb Gray,
MINISTER OF INDUSTRY,
TRADE AND COMMERCE

CHAIRMAN The President,
John A. MacNaughton

MR. MACNAUGHTON:

Ladies and gentlemen of The Empire Club of Canada: To many politicians it could be a debilitating experience to watch our Annual Meeting proceedings and to see how easy it is for some people to get elected to office: no door-to-door canvassing through slushy streets, no personal attacks at all-candidates meetings, no financial statements to file with the Chief Electoral Officer.

However, for our guest of honour today, the Honourable Herb Gray, Minister of Industry, Trade and Commerce, I suspect that the business portion of our meeting was less unsettling than it might have been for many others — because he is a Liberal from Windsor. And the results in the last election, one in which he won 58 per cent of the votes cast, indicate that Mr. Gray had almost as easy a time then as Reg Stackhouse did today.

After being returned to office with a resounding personal majority and with his party returned to the government benches, Mr. Gray was invited by the

Prime Minister to accept responsibility for the important Industry, Trade and Commerce portfolio.

Our guest of honour has assumed his responsibilities at a critical time in the economic history of North America. The storm clouds of a recession are clearly on the horizon and in the days and months ahead Mr. Gray and his ministry will be continually in the spotlight as business, labour and consumers turn increasingly to government for guidance and assistance.

No doubt he can expect contradictory recommendations from these differing interest groups whose assessment of both problems and solutions will present a potentially paralyzing array of alternatives. When faced recently with reconciling differing viewpoints into a consensus initiative Alfred Kahn, economic adviser to President Carter, aptly quipped, "Anyone who isn't schizophrenic these days just isn't thinking clearly."

As business and professional people, members of the Empire Club will recognize that Mr. Gray will have many difficult decisions to make. They will also recognize that business always claims that it can operate best when government policies are clearly enunciated and allowed to continue in force for a reasonable period. In this regard, we are fortunate that Mr. Gray has become Minister of Industry, Trade and Commerce. While we may from time to time disagree with him it is unlikely that we will be uncertain of his views. As a private Member of Parliament, Minister of National Revenue, Minister of Consumer and Corporate Affairs and Opposition Finance Critic, he has always been admirably forthright. As well, he has gained widespread respect as a strong advocate of those policies he believes are best for Canada and for individual Canadians.

It is a privilege, ladies and gentlemen, for the Empire Club to close its seventy-sixth season by hosting one of our nation's economic leaders. It is my pleasure to invite you to welcome the Honourable Herb Gray, Minister of Industry, Trade and Commerce who will address us now.

THE HONOURABLE HERB GRAY:

Ladies and gentlemen: This is my first occasion to speak to an Empire Club audience. So before preparing my notes, I asked one of my assistants to find out something about your club's history, and she brought back a recently-published book called, *The Best Talk in Town*. Those of you who have read it — and I confess to not having had the time to give it its due — know that, as a collection of excerpts from speeches made to the Empire Club since its beginnings, the book is a fascinating collection of perspectives on Canadian life and Canadian public issues over a time span of some seventy-five years.

In one respect, however, *The Best Talk in Town* was somewhat of a surprise to me. For as a new Minister of Industry, Trade and Commerce and, more personally, as someone with a long and intense interest in our country's economic development, I would have liked to have been able to follow a thread of observation and knowledgeable thought on our economy as expressed through the years from this platform. But the book did not permit this. Perhaps wisely reasoning that not all of their readers would be federal ministers of Industry, Trade and Commerce, the authors have selected excerpts on an incredibly wide range of subjects and given no special prominence to Canada's industrial development.

Nevertheless, there is one theme that runs from cover to cover in this little history — one that is very pertinent to what I have to say to you today. Speech topics ranged from an early preoccupation with our links to Great Britain to recent discussions of foreign influence on Canadian culture and Canadian economic institutions. And there were also the unending profferings of opinion on French/English relations and federal/provincial competition. In discussing all these topics, it seems that speaker after speaker has been concerned with, in one way or another, defining what is Canadian, what is Canada. Now I am not particularly surprised by this. For if there is one characteristic that Canadians share it is a propensity to question what being Canadian is all about. So it is only logical that a historical collection of Empire Club presentations should reflect our people's long-standing interest in the need for an indelible national identity.

Still, I will admit that it is distressing to me and to many Canadians to be reminded that uncertainty as to the existence of a unique national perspective — a too-common attitude of our past — persists, even today, for a lot of people in many parts of Canada. Why this should be so is not entirely evident. We have, after all, in our 113 years as a nation, elaborated the mechanisms and institutions for easy communication, for transportation and ultimately for a sharing of common values. Together, we have made the transition from a rural-based economy to an industrialized country with a standard of living that is the envy of most of the world. And we have learned to share our well-being. For instance, with their taxes and consumer dollars, all Canadians have borne the costs of maintaining the viability of certain regionally based industries. Similarly Canadians are sharing their well-being with one another and all parts of their country through equalization payments, social assistance programs and, not to be forgotten, energy prices that are significantly below world levels.

But for all that Canadians are bound together by history, by profound cultural and economic interdependence, and — I would like to believe — by a promising future, one still hears the old questions:

- about whether our differences are greater than our similarities;
- about whether the whole, Canada, should be *greater* than the sum of its parts or merely *equal* to the sum of its parts;
- about whether the country will continue to exist.

These questions are, as I said, old. But they are also new and pose a very real present-day threat to our country's ability to survive and prosper.

There are several obvious reasons why at this point in our history we cannot be complacent about incipient disunity or lack of national purpose within our borders. From my vantage point as Minister of Industry, Trade and Commerce, one of the most important of these reasons is economic. For, as everyone in this room is well aware, we are living in a difficult time when economic conditions at home and abroad give good reason for many people to be very concerned about the economic future. Along with almost every other industrialized country in the world, we have persistent inflation. In the words of the Throne Speech, we have unacceptably high interest rates, a slow rate of economic growth, increasing energy costs, the threat of energy shortages, and higher unemployment than anyone wants. And as we move into the 1980s, our industries are confronting ever more fierce competition in the freer trading environment that is emerging from the last round of GATT negotiations.

Under the best of circumstances, meeting and successfully overcoming these problems would not be easy. In conditions of divisiveness and regional isolationism, the task would be virtually impossible. On the other hand, we should not forget that Canada is a country with unique endowments. Particularly in our large base of natural resources and in our highly-skilled labour force we have assets from which to commence

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The Honourable Herb Gray,
Minister of Industry, Trade and Commerce

a pace of industrial development and growth that could be unparalleled in our history. Therefore, I do not think that I reveal excessive optimism in stating my belief that if, as a nation and a people, we can work together, if we can seize and mobilize our strengths, then — despite our problems, both international and domestic — we will be able to turn the eighties into a time of opportunity for all Canadians.

The new Liberal government in Ottawa quite fully appreciates the number and magnitude of the problems, serious problems, which threaten our social fabric and our economy. Nevertheless, it has made a fundamental commitment to the Canadian people to work to ensure that, as expressed in last week's Speech from the Throne, "Canada will endure, grow and prosper." That the government is able to make this commitment is certainly not because it is content to play the role of passive bystander in the context of the economic and political problems that beset our country. Rather, it is because we are prepared to act and act energetically to fulfill the terms of the mandate given to us in February.

The activist stance of the new government is, I think, well illustrated by our plans in the area of industrial development that were outlined in the Throne Speech. Briefly stated, these plans are as follows:

— We are going to identify and use the country's strengths in order to improve the welfare of all Canadians. For instance, Canada's natural resource base will be used as a basic building block for national industrial development. Through a Made-in-Canada price for oil, we plan to help companies in every region to have a competitive edge in international trade. And we will also ensure that to the maximum practical extent Canadian workers and investors will be in a position to capture the benefits of the huge expenditures on resource development expected during the next decade.

— Canada's other rich resource, our educated and talented labour force, will also be used and promoted, particularly in the emphasis that our industrial strategy will place on encouraging more advanced technology in Canada. Through the explicit identification of sectors with potential for high technology for support from government procurement and through other assistance measures such as the National Development Policy for the electronics industry, we plan to encourage the kind of development in high technology that is recognized throughout the world as a vital key to contemporary economic growth and prosperity.

— In our effort to improve overall economic performance we will also be paying attention to the more traditional industry sectors, which occupy important places in many regions. The automotive sector, for example, presents some very serious problems — as testified to in the all-too-frequent newspaper headlines announcing new automotive layoffs. But it presents significant opportunities as well.

During the recent election campaign, the Prime Minister spoke of the auto industry and of the stake that Ontario and all of Canada have in its future. He committed the new government to work to restore and increase the long-term health of the automobile industry and in the past few weeks, we have, I believe, made a good start through the discussions with the industry aimed at accomplishing greater sourcing for automobile parts in Canada, increased capital investment and more automotive research and development to be done in this country. We have also informed the United States government and received their agreement to enter into formal consultations about the auto pact which will be aimed at improving its operations from Canada's point of view. Our goal, and I'm quoting the Prime Minister here, is to obtain "a fair share" for Canada.

One other important area of the government's industrial policy — that relating to foreign control of the economy, appears to have aroused a lot of interest within the business community and has certainly generated more inquiries than any other part of our program so far. Consequently, I was not surprised to learn that your President, Mr. MacNaughton, had suggested that I devote a part of my remarks to sharing with you some of my thoughts on foreign investment.

Let me start by restating our goal in industrial development. It is to improve the overall performance of industry in Canada, making it more competitive abroad and better able to create jobs at home. And let me also say that there has long been good reason for concern about the effects that a very prominent foreign presence in our economy have had for efficiency, growth and the directions that industrial development have followed in Canada. It is precisely this concern which prompted the current government to make a new commitment during the campaign and in the Throne Speech in regard to this aspect of our economy's structure.

Now I should like to take a moment to explain what that commitment is. It is to ensure that foreign investment adds to our ability to take full advantage of the opportunities that are opening up to us. It is to promote the development of strong Canadian-owned businesses *and* to ensure that foreign-owned companies operate in accordance with Canadian industrial goals. It is also a pledge to encourage small and large Canadian businesses to grow and become more competitive while ensuring that there is a practical maximum of significant benefit from the foreign-owned sector.

The Throne Speech states that the Foreign Investment Review Act will be amended to provide for performance reviews of large foreign firms and for publication of major acquisition proposals by foreign companies. The government will assist Canadian companies wishing to repatriate assets or to bid for ownership or control of companies subject to takeover offers by non-Canadians. I stress that we view these measures as just one component, but an important one, of our new development policy aimed at strengthening and building Canada's industrial base.

The Liberal government's program to create a future of industrial development for Canada is admittedly ambitious. It seeks an optimal development and utilization of the country's human, natural and capital resources. It seeks to create jobs and stimulate growth in all of Canada's regions. And it seeks to restore to Canadians a vital measure of control over our economic destiny.

Earlier in these remarks, I referred to the questioning that has been part of our past and is part of our present as to whether there is a unique national perspective in Canada. Well, I think that the new government's national development strategy reflects a growing consensus on the part of many Canadians — especially of younger Canadians — that there is such a perspective, that we can address and use our unique resource endowments, that we can meet our regional and national development needs, that we can realize our enormous economic potential.

Now I don't think I have to remind you that in the past it was only because a strong federal government was sensitive to the interdependence of regional and national interests and prepared to act in that light that there is today a significant aerospace capacity in Canada, one with great potential for job creation and growth. Today, the fruits of those actions are being realized both in our current ability to share in the benefits of the industrial offsets which are part of the new fighter aircraft program and in the strong production and sales position of de Havilland in Ontario and Canadair in Quebec. The present level of activity and the very existence of these companies today are because of federal government actions. In our new national development strategy, in our industrial policies, the federal government will work in co-operation and consultation with the private sector to bring these kinds of benefits — of job creation and growth — to all Canadians.

Over the years your club has provided a forum for a diversity of opinions on many subjects. However, as I noted earlier, one theme — that of Canada's identity, its purpose and its unity — has predominated over all others. In fact, to quote Peter Lougheed speaking to the Empire Club in the mid-1960s, "One of our guideposts (is) that we should work towards an Alberta government which considered itself Canadian before Albertan and hence promoted the cause of national unity and economic sovereignty as well as the determination of national purpose." For any Canadian politician at any level of government, those are good words, especially valid today. All of us, especially those of us in public life, should make them our watchwords as we confront and deal with our country's problems and turn them into opportunities for further growth and benefits for all Canadians.

The thanks of the club were expressed to Mr. Gray by Henry J. Stalder, a Director of The Empire Club of Canada.

1980-1981 *Officers and Board of Directors*

Honorary President	THE RIGHT HON. EDWARD SCHREYER, C.C., C.M.M., C.D.
Honorary Vice-President	THE HON. PAULINE MCGIBBON, O.C., B.A., LL.D., D.U., D.HUM.L., B.A.A. (THEATRE), HON. F.R.C.P.S. (C), LIEUTENANT GOVERNOR OF ONTARIO

Officers

President	REGINALD STACKHOUSE
First Vice-President	B. GEN. S.F. ANDRUNYK, O.M.M., C.D.
Second Vice-President	PETER W. HUNTER, C.D.
Third Vice-President	CATHERINE R. CHARLTON
Secretary	LELAND H. AUSMAN
Treasurer	RONALD GOODALL, C.A.
Honorary Chaplain	VERY REV. ERNEST M. HOWSE, S.T.M., PH.D., D.D., LITT.D.
Honorary Secretary	WILLIS L. BLAIR
Honorary Assistant Secretary	GEORGE O. STAFFORD
Honorary Treasurer	MARVIN GELBER
Honorary Assistant Treasurer	JOHN FISHER, O.C., LL.B., LL.D., D.S.S., D.LITT., D.U. (MONT.)
Honorary Auditor	H.T. JAMIESON, F.C.A.
Honorary Solicitor	THE HON. JOHN P. ROBARTS, P.C., C.C., Q.C.

Board of Directors

SETRAK ADOURIAN
SARAH A. BAND
WALTER A. BOROSA
J. PATRICK BOYER
DONALD H. CARLISLE
ROBIN J.T. CHETWYND
JERRY A. COLLINS
CLARENCE B. CRUMMEY, M.D., F.C.F.P.(C)
HON. BARNETT J. DANSON, P.C.

~~DOUGLAS L. DERRY, C.A.~~
A. CARLYLE DUNBAR
Lorraine Gottlib
PETER HERMANT
JOHN D. HERRICK
CHARLES C. HOFFMAN
Samuel Hughes
~~WILLIAM M. KARN~~
MONTAGUE LARKIN, C.A.
B. GEN. REGINALD W. LEWIS, C.D.
NONA MACDONALD
JOHN A. MACNAUGHTON
W. MALCOLM MCINTYRE
IAN D.C. MCPHAIL
VLADAN MILIC, B.ARCH., F.R.A.I.C.
DR. JAMES A. PARISH
WALTER G. PITMAN
REV. HAROLD F. ROBERTS
R.A. ROBERTSON
DAVID A. RUBIN, Q.C.
HARRY T. SEYMOUR
Leslie Parkinson
~~HENRY J. STALDER~~
GORDON G. STEELE, M.COM.
~~L. COL. MICHAEL A. STEVENSON,~~ C.D.
L. COL. HUGH P. STEWART, C.D.
GORDON W. SWAYZE
TERRENCE TYERS
REV. J. ROBERT WATT, B.A., B.D.
J.A.WM. WHITEACRE, M.M., C.D., Q.C.

Constitution

As amended April 26th, 1973

ORGANIZATION OF THE CLUB

ARTICLE I

Name

1. The name of the club shall be The Empire Club of Canada.

Purpose and Object

2. The purpose and object of the club is to promote the interests of Canada and the British Commonwealth by the consideration and discussion of subjects and events relating thereto and by any other means appropriate to the facilities of the club.

MEMBERSHIP

ARTICLE II

Classes of Members

1. The membership of the club shall consist of:
   (a) Honorary members
   (b) Life members
   (c) Regular members
   (d) Corporate members

   All members of classes (a), (b), (c) must be the full age of eighteen years.

Honorary Members

2. Honorary members may be elected by the unanimous vote of those present at a meeting of the board of directors. They shall be exempt from the payment of fees but shall not have the privilege of

voting or holding office and their membership shall be terminable at any time by a two-thirds majority of those present at a meeting of the board of directors.

Life Members

3. Members of the club in good standing (other than corporate members) and other persons regularly proposed may be elected life members by a two-thirds majority of those present at a meeting of the board of directors. Life members shall pay such a fee in one sum as may be fixed from time to time by the board of directors.

Regular Members

4. Save as provided in Section 5 of this Article candidates for regular membership shall be proposed by a member in good standing and shall be elected by a two-thirds majority of those present at a meeting of the board of directors.

   Save as provided in Section 5 of this Article regular members shall pay respectively such annual fees as may be fixed from time to time by the board of directors. Members elected after the first day of March in any year shall pay one annual fee only in respect of the period from the date of election until the thirtieth day of September in the following year. No member in arrears for fees after January 1 shall be considered in good standing.

Corporate Members

5. Any company, partnership or business organization shall be eligible for election as a corporate member. Applicants shall be proposed by a member in good standing and the application shall contain the names and positions of the persons nominated by the applicant as its representative regular members. The applicant and its nominated representatives

shall be elected by a two-thirds majority of those present at a meeting of the board of directors. A corporate member shall be entitled to nominate such number of its representative regular members as may be fixed from time to time by the board of directors and shall pay such annual fee as may be fixed from time to time by the board of directors, provided that such fee shall not be less than the aggregate fees which would have been payable on an individual basis by such representative members for the year in question. Save as in this section provided no fee shall be payable by or in respect of the representative regular members of a corporate member.

DIRECTORS

ARTICLE III

Duties and Powers

1. The affairs of the club shall be managed by a board of directors who may exercise all such powers and do all such acts and things as may be exercised or done by the club and are not by the by-laws or by law directed or required to be done by the club at a general meeting of its members. At all meetings of the board of directors the Chairman of the meeting shall have a casting vote.

Number and Quorum

2. The board of directors shall consist of forty members of whom sixteen shall constitute a quorum. The board of directors shall include at least four past presidents of the club, one of whom shall be the immediate past president and three others shall be the three past presidents immediately preceding the immediate past president if they are willing and able to act as directors.

Election of Directors

3. A nominating committee consisting of five members of the board of directors and four other regular members of the club shall be appointed annually by the board of directors at least thirty days prior to the annual meeting and shall prepare a list of nominations for directors for the ensuing year. The chairman or acting chairman of the nominating committee shall report the nominations of that committee to the annual meeting at which the board of directors shall be elected, but nothing herein shall preclude the nomination of other persons for the office of directors at the annual meeting. If nominations do not exceed the number of directors necessary, the chairman of the meeting may instruct the Secretary-Treasurer to cast one ballot in favour of those so nominated and thereupon such persons shall be declared by the chairman to have been duly elected. No person shall be elected a director unless he is a regular member in good standing and is a Canadian citizen or a British subject.

Meetings of Directors

4. Meetings of the board of directors shall be called by the President, or on a requisition signed by three of its members. Written notice of such meetings shall be given to each director five days or more before the meeting is to take place, provided that a meeting may be held at any time if all the directors are present or if those absent have waived notice of or otherwise signified their consent to such meeting being held in their absence or have approved or signified their approval in writing to the proceedings taken at the meeting. The board may appoint a day or days in any month or months for regular meetings, at an hour or place to be named, and of such regular meeting, no notice need be given.

Casual Vacancies

5. In the event of any vacancy occurring in the office of director, the remaining directors may fill the vacancy from among the members for the unexpired portion of the term of office of the person whose office is vacant.

OFFICERS

ARTICLE IV

1. The officers shall consist of an Honorary President, an Honorary Vice-President, a President, First, Second and Third Vice-Presidents, an Honorary Treasurer, an Honorary Secretary, a Secretary and a Treasurer. The board of directors may from time to time elect or appoint such other officers as it shall deem necessary. The President and the Vice-Presidents shall be directors of the club but other officers need not be directors. No person other than the Honorary President and the Honorary Vice-President shall be eligible for office unless he is a member in good standing. The President shall, when present, preside at all meetings of the members and of the board of directors. During the absence or inability to act of the President, the Vice-Presidents in order of seniority shall act as Chairman at such meetings and otherwise perform and exercise the duties and powers of the President.

Appointment of Officers

2. The board of directors shall meet as soon as convenient after their election for the purpose of appointing the officers of the club for the period ending April 30 in the next year but each officer shall continue in office until his successor is elected.

Casual Vacancies

3. In the event of a vacancy occurring in any office the board of directors may fill the vacancy for the unexpired portion of the term.

Honorary Auditor

4. An Honorary Auditor shall be appointed at each annual meeting. An audited statement of the finances of the club for the fiscal year shall be published annually and a copy shall be sent to each member.

COMMITTEES

ARTICLE V

1. The following standing committees and the chairman of each shall be appointed by the board of directors as soon as convenient after the election of the board:
   (a) Budget and Finance Committee
   (b) Speakers Committee
   (c) Membership Committee
   (d) Constitution Committee
   (e) Reception Committee
   (f) Publicity and Public Relations Committee
   (g) Year Book Committee
   (h) Head Table Committee
   provided that for any year the board of directors may by resolution elect not to appoint any one or more of such committees.
2. The President or the board of directors may from time to time appoint such other committees as may be deemed expedient.

MEETINGS OF MEMBERS

ARTICLE VI

General Meetings

1. The club shall hold general meetings weekly, if possible, from October to April, both inclusive, in

each twelve months with such intermissions as may from time to time be determined by the board of directors. Special meetings of the club may be called at any time by the President.

Annual Meeting

2. The annual meeting shall be held not later than April 30 in each year. At the annual meeting a report of the year's proceedings and work shall be submitted by the President and this report shall be accompanied by an interim report from the Secretary-Treasurer.

Notice of Meetings

3. Written notice of all meetings of members shall be given all members of the club before the date on which the meeting is to be held. Such notice shall be sufficient if addressed to the members, and deposited post paid in the post office in Toronto. The accidental failure or omission to give notice to any member shall not invalidate the proceedings at any meeting.

Quorum at Meetings

4. Sixteen members in good standing shall constitute a quorum at any meeting of the club, general, annual or special, and the Chairman of the meeting shall have a casting vote.

Limitation of Business at General Meetings

5. No business other than the hearing of the addresses shall be introduced at any meeting of the club by any person other than the chairman of the meeting, unless it has been submitted to the board of directors and received its approval.

FISCAL YEAR

ARTICLE VII

The fiscal year of the club shall end on such day in each year as may be fixed by the board of directors but unless so fixed by the board shall end on April 30.

AMENDMENTS

ARTICLE VIII

Subject to the provisions of The Corporation Act this constitution may be amended by the board of directors, but unless in the meantime confirmed by a majority of the members present in person at a meeting of the members duly called for that purpose, any amendment is effective only until the next annual meeting of members unless so confirmed thereat and, in default of such confirmation thereat ceases to have effect at and from that time, and in that case no new amendment of the same or like substance has any effect until confirmed at a meeting of the members.

Membership

HONORARY MEMBERS

Cartwright, The Hon. Mr. Justice J.R.
Comber, Walter W.
Gardiner, F.G., Q.C.
Hargraft, George M.
Harpham, Horace
Jamieson, H.T., F.C.A.
Kemp, A.S.H.
McIntyre, W.M.
Michener, The Rt. Hon. Roland, P.C., Q.C.
Ralph, R. Ford
St. John, J. Stanley

LIFE MEMBERS

Adams, N. John
Allan, William N.
Anderson, D.S.
Bagnato, Victor V.
Bassett, John
Batty, Joseph
Baxter, Ian S.
Beare, S.E.
Beatty, D.S.
Bennett, Dr. Ross C.
Best, Douglas W.
Borins, Norman
Boyles, Thomas A.
Broad, R.L.
Brooks-Hill, F.B.
Burke, E.T.C.
Burns, Charles F.W.
Carter, Charles
Caswell, W.A., J.P.
Chetwynd, Sir Arthur R.T.
Clark, H. Spencer
Corey, George A.
Cotterill, Benedict G.R.
Craig, Lt. Col. John A.D.
Cranfield, Dr. Harold V.
Crummey, Dr. Clarence B.
Deacon, Fraser
DelZotto, Elvio
Douglas, Lt. Col. R.G., O.St.J., C.D.
Duncanson, A.A.
DuVernet, E.A., Q.C.
Eaton, Donald L.H.
Eisen, Sol
Evis, Frederick A., Q.C., M.D.
Fabbro, J.J.
Frost, Col. C.S. Jr., Q.C.
Gore, Graham M.
Graham, John W.
Griffin, Ian A.
Griffin, John W.
Hamilton, E.H.P.
Haussmann, Rudi
Hellyer, Hon. Paul T., P.C.
Hermant, Adam B.T.
Hermant, John D.
Hermant, Peter
Hermant, Sydney
Herrick, John D.
Hilborn, Col. Robt. H., M.V.O., M.B.E., C.D.
Hoffman, Charles C.
Holliday, John R.
Holota, Dennis
Howse, T.H.
Hudson, John Beale
Hughes, James O.
Inwood, A.E.M.
Irwin, John F.
Jackman, H.N.R.
Jackman, W. Henry
Jervis, John
Jones, Trevor L.
Joyce, James H.
Jupp, Lt. Col. D.H., O.B.E.
Karn, William M.
Kent, J. Palmer, Q.C.
King, Christopher C.

Kitchen, Rev. S.J.
Lacey, Mrs. Eileen M.
Lambert, A.T.
Lawson, H.R.
Legge, Major Gen B.J., C.M.M., C.St.J., E.D., C.D., Q.C.
Lehner, Frederich N.
Leman, Arthur S.
Lennox, Gordon
Loftus, R.G.
Luciano, Joseph F.
Mackinnon, Lt. Col. A.P.
Martin, J. Andrew
Matthews, A. Bruce, C.B.E., D.S.O.
Matthews, Beverley, C.B.E., Q.C.
May, Miss Gladys
Mazurek, Ewald P.
McCrimmon, Maj. J.S.G.
McMurray, John T.
Mikkila, W.G.
Moses, John S.
Nagel, John F.
Neelands, D.G.
Ness, Bernard T.
Noustas, E.A.
Nunes-Vaz, Mrs. Berthe
Olver, A.S.
Pallett, John C.
Parish, Dr. James A.
Pearson, Prof. Norman, F.R.T.P.I.
Reid, W.H.
Reuber, Grant L.
Ridley, John B.
Rokeby-Thomas, Rev. Dr. H.R.
Roman, S.B.
Rosenberg, Leonard
Rutherford, Lt. Col. R.C.
Samis, Dr. T. Tweed
Sandy, J.
Schemmer, Axel P.H.
Shefsky, Samuel V.
Smeed, James R.
Smith, Carleton
Stark, Hon. Alexander, Q.C.
Sullivan, Senator J.A., M.D.
Tappin, Graham John
Teasdale, Mrs. Barton F.
Thomson, K.R.
Turnbull, R.
Turner, Capt. T.C., C.D., R.C.N.R.
Tuz, Paul J.
Waldie, Gordon
Watkins, William B.
Webster, R.H.
Wells, Douglas S.
Williams, J.K.
Winkler, Sydney
Wotherspoon, G.D.
Wright, John L.
Yamaguchi, Koichiro

REGULAR MEMBERS

Abbott, Dr. Derrick
Abbott, Raymond S.N.
Abernethy, Wilson
Abrams, Alan W., C.D.
Adair, L.E.
Adam, James L.
Adams, Anthony S.
Adams, Kerry D.
Adams, Michael
Adams, Sheila G.
Adams, W.H.
Adamson, Edwin F.
Adamson, G.A.
Addison, Wm. G.
Adourian, Setrak
Adye, Rev. Canon E.R.G.
Affleck, Donald Scott
Aggett, Harold G.
Ahluwalia, George
Aird, David M.
Aitchison, Ian A.
Albery, A.C.R.
Alexander, H.H.
Alexander, John
Allan, Dr. Blandford
Allan, Grant
Allen, C.R.E.
Allen, Douglas K.
Allen, Miss Jane E.
Allen, John F.
Allen, Rev. L. Harvey
Allen, Dr. Michael S., F.R.C.S.(C)
Allgood, Dr. R.W.
Allingham, N.W., Q.C.
Allison, A.
Allworth, Mrs. Mona C.

Ally, M. Asgar
Alton, T.R.
Amato, L.
Ambler, Brian
Ambrose, Sheriff P.J.
Ames, Mrs. Dorothy
Amos, A.A.
Amos, J.L.
Anderson, Allan J.
Anderson, Douglas D.
Anderson, Prof. D.V.
Anderson, Kathleen J.
Anderson, Gen. W.A.B.
Andras, John
Andras, K.B.
Andre, Mrs. V.
Andrew, Donald E.
Andrews, Harry E.
Andrunyk, Muriel I.
Andrunyk, Brig. Gen. S.F., O.M.M., C.D.
Angus, D.L.
Angus, Jas. K.
Angus, John F.
Anklewicz, Larry
Anstett, Richard J.
Anthony, R.F.K.
Apple, Bluma
Archbold, Wm. D.
Archer, William L.
Archer-Shee, Mrs. G.
Archibald, C.R., Q.C.
Archibald, Ruth F.
Argent, Dr. W.R.
Ariel, David
Armitage, A.T.
Armitage, Donald
Armour, A. Douglas
Armstrong, B.L.
Armstrong, Bruce
Armstrong, Frank G.
Armstrong, G.E.
Armstrong, G. Warren
Armstrong, Jas. A.
Armstrong, Michael M.
Armstrong, Robert
Armstrong, Miss Susan
Arnold, Bruno J.
Arthur, Philip D.
Arvay, Leslie G.
Ash, Onagh M.
Ashton, Mrs. Toni
Astley, D.B.
Atherton, W.A.
Atkey, Ron
Atkins, David H.
Atkinson, Miss Linda
Attewell, W.C.
Ausman, Leland H.
Austrotas, V.A.
Avery, A.
Avery, William M.
Axford, Michael J.
Ayling, Gerald J.
Aymong, A.M.
Ayrhart, William T.
Aziz, Mrs. William A.

Babcock, J.M.
Back, Samuel
Badgley, F.H.
Badoer, Carlo
Bagnall, James S.
Bahlman, Miss Myrtle
Bailey, John H.
Bailey, William H.C.
Bain, Ian
Bainard, Roy H.
Baker, Agnes
Baker, Gordon Roy
Baker, Herb F.
Baker, J.J.
Baker, J.W.
Baldwin, Mrs. Blanca
Bales, Dalton A.
Balfour, Norman E.
Ball, H. Graham
Balsara, Kate
Bancroft, Dan
Band, John T.
Band, Miss Sarah
Bankes, J.M.
Banks, D.W.
Bannan, Mrs. Helen M.
Banner, Dr. Mac
Baptist, Alexander
Barber, Col. J.R., E.D., C.D.
Barber, William
Bardyn, Thor
Bark, Chad F.
Barltrop, C.S.
Barnard, Peter
Barr, David E.

Barrett, Calvin A.
Barros, Leo A.
Barrow, J.C.
Barry, C.J.
Barstow, J.M.
Bartels, Klaus
Bass, Jean-Jacques
Bassel, J.P., Q.C.
Bassett, Douglas
Bassett, Raymond J.
Bastien, Dr. Gerard
Batchelor, Gordon T.
Bath, D.H.W.
Beam, Robert E.
Beamish, K.J.
Beardmore, E. Gordon
Beattie, A., Q.C.
Beatty, R.I.
Beauchamp, P.B.C.
Beauchamp, Walter N.
Beber, Monty C.
Beck, Miss M.E. Louise
Beckerman, Irving
Bedborough, Mrs. Cynthia
Bedbrook, Walter J.
Bedford, B.
Beesley, K. Gordon
Beggs, Mrs. Barbara M.
Belaiche, Dr. A.D.
Beland, Roger
Bell, Claude S.
Bell, B. Gen. George G.,
M.B.E., C.D.
Bell, J. A. G.
Bell, John David
Bell, Norman B.
Belsher, Selwyn P.
Belyea, Abner B.
Bender, George J.
Bennett, Bryan C.
Bennett, Hon. Claude F.
Bennett, Chief Judge
Colin E.
Bennett, David T.
Bennett, Douglas R.
Bennett, Ms. Jalynn H.
Bennett, R.F.
Bennett, Rev. Dr. Reginald M.
Bentley, D. Fraser
Berger, Gordon
Bergeron, John C.
Bergerson, Peter D.
Berghuis, Wm. W.
Berius, Gint
Bernadine, Al
Berry, Dr. Henry
Bertram, Andrew John
Besko, Mrs. A.
Best, Eileen
Bethune, K.M.
Betty, Derek W.
Biddell, J.L.
Biggs, G.L.
Biggs, Stanley C., Q.C.
Bigley, Eileen
Bilbrough, W.H.
Billige, B.D.
Bingham, Michael L.
Binmore, David R.
Birch, Hon. Margaret
Biringer, Paul P.
Birkenmayer, Mrs. S.A.
Birkness, Brian
Bishop, Allan D.
Bishop, George Robert
Bishop, N. Jane
Bjarnason, Thomas H.
Black, Mrs. Grace
Blair, Florence L.
Blair, Stanley E.
Blair, W. D'Arcy
Blair, Willis L.
Bland, Yvette P.
Blane, Robert
Blaney, James William
Blaza, Paget W.
Blenkarn, Don, M.P.
Bloch, Iri
Bloemen, P.J.M.
Bloomberg, Lawrence
Blott, Allan S., Q.C.
Bloxam, William
Bocz, Tibor
Boddy, R. Paul
Bodrug, Dr. A.G.
Bogart, Ronald James
Bolliger, Mrs. Arlette
Bolliger, Heinz E.
Bolliger, Stefan
Bolton, Thomas G.
Bolus, John W.
Bond, John W.
Bonnycastle, Law C.
Bonyun, Denis F.

Boraks, Richard R.
Boraks, Mrs. Richard
Borchers, Brigitta
Borinsky, Maxime
Borosa, Walter A.
Borthwick, Miss Jessie K.
Borthwick, P. Alexander
Bosanquet, L.C.
Bot, William B.
Boukouris, Paul G.
Boultbee, Peter S.
Bourne, F.R.
Bousefield, Mrs. Morleen
Bowden, Edward H.
Bowen, W.A.
Bowler, John E.
Boxer, Richard J.
Boyajian, Roger H.
Boyce, Olaf
Boyd, Winnett
Boyko, Jos., LL.D.
Boyle, J.A.
Bradlow, John
Bradshaw, James W.
Bradstreet, Doris J.
Braithwaite, L.A.
Bramm, George V.
Bray, Harry S.
Bray, Mrs. John F.
Breckenridge, P.D.
Breckenridge, R.J.
Bredt, M.D.
Brennan, Mary T.
Brennan, William J.
Brent, John E.
Brethour, Eldon
Breuer, K.
Briant, Prof. Constance
Bridges, R. John
Brigante, Domenic C.
Brissenden, W.G.
Britton, J.C.
Broad, Chas. F.
Broadbent, Malcolm J.
Broadhurst, William H.
Brock, Frederick W.
Brodsky, Jack
Brook, Edward
Brooks, Barry L.
Brose, Klaus D.
Brown, Alan J.
Brown, Archdeacon A.D.
Brown, Arthur E.
Brown, Dr. C.A.
Brown, Colin M.
Brown, Miss Dorothy G.
Brown, Mannie
Brown, P.C.
Brown, W. Stuart
Brune, David
Bryan, John
Bryant, G. Keith
Bryon, Miss Lillian
Bryson, George M.
Buchanan, W.W.
Buck, Frank
Buddenhagen, W.C.
Budrevics, Alexander
Buffett, Ron G.
Bulger, J. Earl
Bulmer, J.C.
Bundrock, Dr. Guenter
Bundy, Robert G.
Bunting, Pearce
Bunton, James
Burbage, L.H.
Burden, Bruce C.
Burgess, H.T.
Burgoyne, Gerald W.
Burleigh, W.G.
Burleton, John A.
Burnard, F.S.
Burns, Allan L.
Burns, C. Jane
Burns, Mrs. Hazel
Burns, James E.
Burns, Jeffrey
Burns, Leslie G.
Burnside, E.G.
Burrow, Edward W.
Bursey, Morley B.
Burston, Neville
Burt, David Ellis
Burton, E.G.
Burton, Lt. Col. G.A.
Buscombe, Alice M.
Bush, Jack
Buski, Richard S.
Butler, Frank
Butler, Ian
Butler, John C.
Buxton, Philip H.
Byrne, B. Mae, C.A.
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Caldwell, James P.
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Campbell, Dick
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Campbell, Howard R.
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Campbell, Mac D.
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Cappe, Joe, B.COM.
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Carnegie, James G.
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Carr, E.P.
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Carter, S. Owen
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Chartrand, Ray
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Churchill, John B.
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Farrugia, John
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Filidovic, Danny
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Fullerton, Brian
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Fulton, Eve
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Furnival, R.C.

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Gailius, Gerard
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Gale, Hon. G.A.
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Gibson, John D.
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Kates, Paul A.
Katz, Leon
Kavanagh, Terence
Kay, George W.B.
Kay, Robert C.
Kearns, James H.
Keavenly, Derek G.
Kee, George M.
Keefe, T.J.
Keel, Robert G.
Kei, Simon S.
Kellermann, Max William
Kells, Virginia C.
Kelly, William M.
Kemp, Anthony L.
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Kennedy, A. Judd
Kennedy, Dr. M. Sandra L.
Kennedy, Shiela Helen
Kennedy, William C.
Kenney, Ray L.
Kenny, M.K.
Kent, T.D.
Kent, T. Edward
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Kernaghan, K.W., Q.C.
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Kerr, John E., Q.C.
Kerr, William R.
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Kersey, John W.
Kershaw, V.B.
Kerwin, Edward P.
Keyes, Norman J.
Khalsa, Gurufatha Singh
Khojajian, Barry Barker
Kichler, Harry A.
Kihn, Richard K.
Kilgour, Constance L.
Kilgour, John
Kinach, Jaroslav
King, H. June
King, James F.
King, Dr. John Leslie
King, T.A.
King, Wilfred B.
Kingsburgh, Murray
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Kinoshita, Gene
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Knight, J. Forbes
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Knox, E. Rachael
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Koehler, K.G.
Koffler, Murray B.
Kofman, Dr. Oscar S., F.A.C.P.,
  F.R.C.P.(C)
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Kogler, Rudolf K.
Konkel, K.
Kortright, L.H.G.
Koven, Mrs. Anne
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Kowalski, Edita M.
Kozak, Lubomir
Kraaijeveld, Mrs. J.
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Krivel, Miss Elaine
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Kydd, Carol
Kyle, Angus A.
Kyle, J.C.

Labatt, Robert H.C.
Lacey, Martin
Lackey, Ann
Lackey, Robert S.
Lafontaine, Richard
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Laing, Edith
Lake, J.F.
Lamb, Douglas D.
Lambert, Michael M.
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Lang, Margaret John
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Langford, H.E., Q.C.
Langford, James A.
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McMillan, Donna M.
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Murray, Oswald V.
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Oishi, Mako
Oldfield, George
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Perren, S.R.

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Rosemont, Mrs. Monica
Rosen, Jerry, C.A.
Ross, Barry A.
Ross, Donald S.
Ross, James D.L.
Ross, Norman A.
Ross, N. William
Ross, Virginia
Ross, William Melville
Roth, Robert William
Roth, Samuel M.
Roulston, MacGregor S.
Rowan, Hugh, Q.C.
Rowcliffe, Katherine
Rowe, Mrs. Evelyn P.
Royes, Lewis T.
Rubin. David A., Q.C.
Rubie, K.M.
Ruffell, Terry G.
Rukkel, M.
Rundle, Mrs. Dorothy
Russell, J. Keith
Russell, Major T.B., C.D., B.A.
Rutherford, A.
Ryley, A.C.
Ryman, Florence
Ryrie, Jack

Sabia, Laura
Sabia, Maureen Joan
Sabine, J.W.
Sagel, J. Frederick
St. Louis, R.D.
Salisbury, Mrs. Helen

Salisbury, T. Henry
Salmon, C.R.B.
Salter, Dr. Robert B.
Samples, R.M., C.M.G., D.S.O., O.B.E.
Sampson, John F.D.
Sanders, H.R.
Sanderson, D.M.
Sanderson, Horrell
Sandori, Paul
Sanson, Paul C.
Sargeant, Barbara
Sargent, E.
Saul, John Ralston
Saunders, David
Saunders, Leslie H.
Saunderson, Wm. J.
Savage, Lt. Col. Bruce, C.D.
Savage, Dr. Howard
Saville, Frederick Alan
Scanlan, Lt. Col. P.D., D.F.C., C.D.
Schacter, Leo E., Q.C.
Schaffner, Dieter
Schemmer, Mrs. Brigitte
Schemmer, Dr. Robert J.
Schleich, Manfred
Schmida, Walter G.
Schmidt, Warran
Schoales, Michael
Schoelch, Frank F.
Schofield, Michael D.
Schroeder, Walter
Schuler, Mrs. Jean
Scobie, Don H.
Scott, D.N.
Scott, F.N.
Scott, Graham W.S.
Scott, J.K.
Scott, Michael G.
Scott, Thomas Oliver
Scrivener, Margaret
Seabrook, William J.
Seck, Abdou
Sedgwick, G. Gordon
Sedgwick, Joseph, Q.C.
Sedleigh, Kenneth
Segal, Hugh
Segsworth, Miss K.J.
Self, R. Harvey
Sellar, G.M.
Sellers, Dr. A.H.
Seltzer, John
Sewell, Wm. S.
Sexton, Thomas J.
Seydegart, Janina
Seydegart, Stanislaw
Seyffert, Bessie A.
Seyfried, J.A.
Seymour, Harry T.
Sgro, Maria
Shadbolt, W.M.
Shapiro, I. Joel
Sharp, Hon. Mitchell
Shastell, Edward M.
Shaver, Mrs. H.R.
Shaw, Ian A.
Shaw, John B.
Shaw, Kathleen
Shay, P.G.
Sheeres, T.G.
Shelley, B.H.
Shepherd, Audrey O.
Shepherd, Peter M.
Sheppard, M.E.
Sheppard, Norman T.
Sheppard, Norris E.
Sher, George
Sheridan, William J.
Sherwood, Dennis G.
Shewchuk, Dennis
Shiner, I.
Shipp, Gordon S.
Shipp, Harold G.
Shirer, J.W.
Short, Norman John
Shortreed, Robert G.
Shroff, Miss Naju
Shuter, Edwin H.
Sideratos, Judge M.
Sieger, Hans K.
Sievert, Ms. Helen G.
Sifton, Michael C.
Sigsworth, Oscar T.
Sills, Major C.D., E.D.
Silva, Horacio
Silver, Joseph
Simester, Alfred P.
Simmonds, Mrs. Judy
Simmons, William H.
Simpson, Bernice
Sims, W.G.B.
Sinclair, Anne
Sinclair, Donald F.G.

Sinclair, Miss Lynn
Sinclair, Sonja
Sinclair, William R.
Singer, Harry
Sipos, Rose
Sirant, Bohdan G.
Sisam, J.W. Bernard
Skewis, William
Skil, Major Sonia, C.D.
Skinner, Leonard C.
Sladen, G.P.
Sladen, Mrs. G.P.
Smiley, Ross V.
Smith, A.J.
Smith, Calvin G.
Smith, D. Todd
Smith, Frederick, Jr.
Smith, Gordon E.
Smith, Gordon F.
Smith, J. Duncan
Smith, Mrs. Kenneth
Smith, Kenneth B.
Smith, Kenneth G.W.
Smith, Peter B.
Smith, R.K.
Smith, Ray T.
Smith, Richard D.
Smith, Shirley K.
Smith, Dr. Stuart
Smith, Susan D.
Smith, Dr. T.O.
Smith, Dr. W.D.
Smith, William J.
Snelgrove, L.S.
Snell, Herbert A.
Snell, Paul F.
Snider, Allan F.
Snider, Col. C.B.
Snider, D.R.
Sniderman, Sam, C.M.
Soady-Easton, Lt. Col. E.V., C.D.
Socha, Michel
Solandt, Dr. O.M., C.C.
Somerville, William H.
Sone, Shael S., C.A.
Sorbara, Joseph D.
Sovka, Dr. J.A.
Soward, R.H., Q.C.
Sowden, A.
Sparks, E.G.
Spear, R.H.J.
Speed, Frank W.
Speich, Francois
Speirs, N.R.
Spence, Cooper M.
Spence, George H.
Spence, Mrs. Mary Lou
Spencer, Alice
Spencer, C.R.
Spencer, Philip
Spiegel, Harvey
Spratley, George W.H.
Sprawson, Barrie G.
Sproull, Gordon
Squires, C. Alex
Stackhouse, Reginald
Stackhouse, R.G.
Stafford, G.O.
Stalder, Henry J.
Stam, G.M.
Stanley, Gary R.
Stanton, E.
Stapells, R.B., Q.C.
Stark, Milton J.
Steadman, D.J.
Steele, Mr. Justice D.R.
Steele, Gordon G.
Steeves, Neil S.
Steinbach, C.H.
Steinke, Friedrich
Stephens, J.E.
Stephens, R.T.
Stephenson, Bette M., M.D.
Stephenson, Michael M.
Stephenson, Robt. W.F.
Stern, Michael I.
Stevenett, Fred B.
Stevens, J.H.
Stevens, Sinclair M.
Stevenson, George J.
Stevenson, J.D.
Stevenson, Lt. Col. M.A., C.D.
Stewart, Alexander G.
Stewart, Dr. Donald A.
Stewart, George C.
Stewart, Lt. Col. Hugh P., C.D.
Stewart, J. Ross
Stewart, W.A.
Stickler, Alan D.
Stickley, Peter A.C.
Stillich, Stefan W.
Stingelin, Prof. Peter
Stinson, Allan W.
Stinson, F.C.

Stinson, Robert V.
Stock, R. Bruce
Stocks, Gilbert
Stodilka, Robert Z.
Stofer, Bernard H.
Stolee, Allan J.
Stonborough, John J.
Stone, Arthur, Q.C.
Stone, Joseph C.
Storey, Capt. John
Story, R.E.
Stothers, James E.
Stracey, Walter E.
Strange, Ronald Eric
Strangemann, Gunter
Stratas, Mrs. Diane
Strath, Harvey
Strathy, C.M.A.
Strathy, J.G.B.
Stratton, James B.
Strauss, Louis A.
Strimas, John
Stronach, F.
Stuart, Mary Alice
Stuart, Ronald S.
Stubbs, C. John
Studer, Wilfried J.
Succamore, Thomas J.
Summers, Kenneth J.
Sumner, Bradley D.
Sutherland, Allan R.
Sutton, Dennis
Sutton, Harry T.
Suzuki, Major George D., C.D.
Swain, Kenneth Harold
Swayze, G.W.
Sweet, Brian R.
Sweet, Mrs. Marjorie
Sweetman, N. Allen
Swenson, R.C.
Switzer, Constance E.
Swyer, Dr. Paul R.
Szego, William

Taenzer, Inge
Taerk, S. Sheldon
Takach, Gabor G.S.
Talanow, N.G.
Tallon, James William
Tanenbaum, H. Wayne
Tannian, James A.
Tarantino, Dr. A., F.A.C.S.
Tate, Howard A.
Tatlow, John W.T.
Taylor, Colin
Taylor, D.R.
Taylor, E.P.
Taylor, Hugh
Taylor, John H.
Taylor, Lynn L.
Taylor, Ms. Mary Lou
Taylor, P.H.
Taylor, Peter J.
Taylor, R.N.
Taylor, Val
Tebbutt, Robert S.
Telesnicki, Miss J.
Telfer, A.C.
Telfer, Cdr. (R) G.R., C.D., C.A.F.
Telfer, Ian
Tellier, Henri
Temple, W. Michael, Q.C.
Templeton, Dorothy
Teresko, Peter
Thomas, G. Joe
Thomas, Miss Gwen
Thomas, Louis R.
Thomas, P.V.
Thomas, Reginald J., C.A.
Thompson, A.D.
Thompson, K.S.
Thompson, Terence W.
Thomson, Robert G.
Thornton, H. Diane
Thornton, Kathryn J.
Timbrell, Dennis R.
Tobias, Fulton G.
Toller, Jane W.
Too, Robert
Toombs, E. Harold
Topp, Robert M.
Torrie, Mrs. Beverley A.
Tourgis, Edith M.
Townrow, Ms. Barbara
Townsend, Michael W.
Townshend, Errol
Travolo, Ed.
Tremayne, F.A.M.
Trofimenko, Mrs. Martha
Trombley, Gaye
Troop, Fred J.
Trott, J.R.
Trott, Ronald J.
Trow, Timothy

Trowell, Douglas C.
Trull, J. Richard
Tsakok, Raoul N.
Tuck, Mrs. Gladys
Tugham, Samuel
Tunney, Wayne L.
Turkevics, Leonard I.
Turnbull, W.G.
Turner, J.R.A.
Turner, Leonard J.
Turner, W.I.
Twaits, W.O.
Tweed, Mrs. Jean
Tye, Harry T.
Tyers, Terrence
Tyrrell, Jack G.
Tyson, Bev.

Udale-Clough, Sylvia M.
Ulan, S.J.
Upson, W.T.

Vale, Paul J.
Valiant, John T.
Vallee, Robert J.
van Banning, A.H.M. Claus
Van Damme, Paul J.
Vanderheyden, John
van der Hoop, Mrs. J.
Van Houten, A.C.
Vanek, Mrs. M.
Van Every, Alan
Van Kampen, J.G.
Van Kessenich, Edward M.
Van Lone, Mrs. Helen
Van Nostrand, I.N.
Vanstone, F.S.
Van Valkenburg, Burke
Van Wouw, Miss Madeleine
Varey, Russel
Varga, Andre, O.B.E.
Varma, Dr. Devendra P.
Vasilkioti, Frank
Venn, Al
Vernon, G.P.H.
Vigoa, Severo C.
Vincent, Mrs. R.L.
Vining, Lon L.E.
Vivash, Mrs. Barbara
von Herrmann, Silvester
Vorbrodt, Michael
Voyer, Gilles A.

Waddell, Wm.
Wadland, J.B.
Wadsworth, J. Page R.
Wadsworth, Kenneth R.
Wakefield, D.E.
Walker, A.R.
Walker, C.G.
Walker, Senator The Hon. D.J., P.C., Q.C.
Walker, David J.
Walker, E. Maxwell
Walker, J.B.
Walker, W. Ross
Wall, Miss Elizabeth A.
Wall, T.P.
Wallinger, John A.
Walsh, Sandra A.
Walton-Ball, Dr. H.G.
Wansbrough, J.C.C.
Warburton, E.H.
Ward, Christopher
Ward, D.H.
Ward, G.H.
Wardle, T.A.
Warren, Cynthia B.
Warren, Mrs. E. Ruth
Warren, E.W.
Warren, Peter H.
Warren, Roger W.
Warwick, S.F.
Wason, J.S.M.
Wasylenko, Dr. John
Waters, P.D.
Watson, Alan Graeme
Watson, George F.
Watson, John H.
Watson, Kenneth M.
Watson, Dr. Peter
Watt, F. Bartlett
Watt, Rev. J. Robert
Watt, Robert C.
Waugh, Donald A.
Weaver, John L.
Webb, Anthony A.
Webb, Cecil F.
Webb, Richard S.
Webb, Thomas R.
Weber, George
Webster, L.C.
Weed, Paul
Wees, Dr. W.R.
Wegg, George S.

Weichel, E.H.
Weir, J. Clifton
Weir, Lt. Col. J.R., C.D.
Weiss, Don
Weksler, Beverley
Welldon, Wilfred
Weller, Robert K.
Wellman, Douglas E.
Wells, Bryan H.
Wells, Hon. D.C.
Wells, Miss Loren A.
Wells, Lorne, C.A.
Wells, Hon. T., M.P.P.
Wenzel, J.S.
West, Donald L.
Westaway, James G.
Westcott, Clare
Wheat, Major F.T.
Whelpton, Michael G.
Whitaker, Art
Whitaker, W. Denis
White, Fred
White, Geoffrey B.
White, John
White, Mrs. Miriam
White, Nora
White, Paul C.
White, Peter G.
White, Robert G.
White, Timothy E.
White, William F.
Whiteacre, J.A. William
Whiteside, Kenneth G.
Whiteway, Linda G.
Whiteway, Thomas A.
Whitten, Mrs. Anne
Whitten, John A.
Whitten, Roy
Wickens, Ewart A.
Wicklum, L. Earle
Wightman, Joseph A.O.
Wigle, J.J.
Wigle, Seymour L.
Wilch, Mrs. Joan B.
Wilder, W.P.
Wildman, A.C.L.
Wilkes, David H.
Wilkins, D.J.
Wilkinson, Rt. Rev. F.H.
Willcocks, E.R.
Willer, Nancy Waite
Williams, David J.
Williams, Frederick F.
Williams, J.P.
Williams, John M.V.
Williams, P.C.
Williams, Ridley
Willis, B.G.
Willis, E.I.
Willis, Richard B.
Willson, Bruce F.
Wilson, Brian John
Wilson, David
Wilson, Mrs. E. Doreen
Wilson, Frank L.
Wilson, Geo. A.
Wilson, Glen A.
Wilson, Ian R.
Wilson, James
Wilson, John
Wilson, Mrs. Margaret J.
Wilson, Marie
Wilson, R.F.
Wilson, Robert D.
Wilson, Stephen R.
Wilson, Susan S.
Wilson, Lt. Col. W.S.
Wilton, Murray A.
Wilton, Norman F.
Wilton-Siegel, H.J.
Winship, R.C.
Winter, John O.
Wise, S.B.
Wiseman, Jack
Wish, Ms. Judy M.
Wishart, A.A., Q.C.
Wodkiewicz, W.A.
Wolfman, Bertrand
Wong, Miss E. Jean
Wong, Dr. Kie C.
Wood, Clarence F.
Wood, Dennis H.
Wood, G.H.
Wood, James
Wood, Margaret
Wood, Mrs. Vera
Woodall, Douglas E.
Woodall, Leighton Ronald
Woodcock, Frank W.
Woodman, Robert H.
Woodroofe, G.T.N.
Woodrooffe, Susan
Woodruff, J.L.D.
Woods, George W.

Woods, Ian C.
Woolgar, Peter W.
Woollcombe, M. Julia
Woolley, Robert J.
Woolnough, Peter F.
Wright, Alex J.
Wright, Allen H.
Wright, Dr. D.T.
Wright, G.A.
Wright, G.W.
Wright, J.R.
Wright, R.G.
Wright, W.N.
Wright, Wilfred J.
Wyatt, Alan
Wyatt, H.L.
Wychowanec, Miss S.J., Q.C.
Wylie, Dorothy M.

Yaffe, Miss Florence
Yaremko, John, Q.C.
Yarker, D.W.
Yeats, William B.
Yocom, Paul A.
Yolleck, Ben A.
Yontef, Marvin
Younes, Ernest
Young, Charles B.
Young, Frank A.
Young, Rev. Geo.
Young, James E.
Younger, J.W., Q.C.

Zahumeny, S.
Zanonchello, Michel
Zeidler, Eberhard H.
Zeldin, John L.
Zimmermann, H.E.
Zlamal, Miloslav
Zonneveld, Cornelius
Zummach, Miss Evelyn
Zuppinger, Walter U.
Zurawski, Richard James
Zwicker, Jack

AUDITORS' REPORT

To the Members of
The Empire Club of Canada

We have examined the balance sheet of The Empire Club of Canada as at April 30, 1980 and the statement of revenue and expenditure and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Club as at April 30, 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The financial statements for the year ended April 30, 1979 were reported on by other auditors.

COOPERS & LYBRAND
CHARTERED ACCOUNTANTS

Toronto, June 6, 1980

THE EMPIRE CLUB OF CANADA

BALANCE SHEET AS AT APRIL 30, 1980

	1980	1979
ASSETS		
Current Assets		
Cash and deposit receipts	$60,199	$31,998
Accounts receivable	1,204	336
Inventory of ties and scarves, at cost	1,125	1,842
	62,528	34,176
Government of Canada Bonds — at cost (market value 1980 — $4,965; 1979 — $5,010)	5,757	5,757
Office Furniture and Equipment — at nominal value	1	1
	$68,286	$39,934
LIABILITIES		
Current Liabilities		
Accounts payable	$ 6,192	$10,221
Due to The Empire Club Foundation	24,388	12,595
Membership fees and luncheon tickets paid in advance	3,700	2,152
	$34,280	$24,968
MEMBERS' EQUITY		
Life Membership Reserve Fund (note 2)	$10,000	$10,000
Accumulated Surplus	24,006	4,966
	34,006	14,966
	$68,286	$39,934

Signed on behalf of the Board

John A. MacNaughton }
Terrence Tyers } Directors

THE EMPIRE CLUB OF CANADA

STATEMENT OF REVENUE AND EXPENDITURE AND SURPLUS FOR THE YEAR ENDED APRIL 30, 1980

	1980	1979
Revenue		
Membership fees	$69,730	$42,104
Luncheons — net	18,535	9,738
Interest —		
General	3,453	2,226
Life Membership Fund (note 2)	863	643
Other	151	297
	92,732	55,008
Expenditure		
Members' notices	26,700	18,233
Office salaries and employee benefits	17,103	15,943
Yearbook donation	11,218	16,161
Publicity and promotion	948	3,581
Printing, stationery and postage	9,268	6,092
Rent	2,233	1,703
Meeting	2,525	2,389
Office and general	2,851	1,696
Telephone	846	977
	73,692	66,775
Excess of revenue over expenditure (expenditure over revenue) for the year	19,040	(11,767)
Surplus — beginning of year	4,966	16,733
Surplus — end of year	$24,006	$ 4,966

THE EMPIRE CLUB OF CANADA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1980

1. ACCOUNTING POLICIES

Office furniture and equipment is recorded at nominal value and additions are charged to expense in the year acquired.

A donation to The Empire Club Foundation for the estimated cost of supplying the Club's membership with the yearbook of the current year is accrued each year.

2. LIFE MEMBERSHIP RESERVE FUND

This fund was created in order to provide a continuing income to sustain the membership costs of life members.

3. COMMITMENT

The Club occupies office space under a lease agreement expiring September 30, 1982 at annual rentals of approximately $4,500.

4. SUBSEQUENT EVENT

Subsequent to the year-end the directors of the Club approved a special donation of approximately $19,000 to The Empire Club Foundation. This donation will be reflected in next year's financial statements.

THE EMPIRE CLUB FOUNDATION

The Empire Club Foundation has been active in support of the Yearbook for 1978-1979 and for *The Best Talk in Town* by Scott Young and Margaret Hogan. In this work I am particularly indebted to H.N.R. Jackman and Colonel Bob Hilborn who have been so helpful as Vice-Presidents. Both our Honorary Treasurer, Brigadier General R.W. Lewis, and our Honorary Secretary, R.B. Stapells, Q.C., have been expert and generous in attending to our legal and accounting activities. Our Past President, John Griffin, was most diligent in dealing with publishers and in directing the Nominating Committee.

Above all, I should like to thank the Directors for their splendid support of the Foundation. For our planned Finance Campaign we are striving to obtain corporate and private supporters who will give $1,000.00 as Patrons, $500.00 or more as Endowment Benefactors and $250.00 or more as Benefactors. With such Patrons and Benefactors we will continue to distribute without charge the Empire Club Yearbook to the libraries of Canada, thus ensuring a lively record of our famous forum.

B.J. Legge
President

THE EMPIRE CLUB FOUNDATION

President	B. J. Legge, Q.C.
Vice-Presidents	H.N.R. Jackman
	R.H. Hilborn
Past President	J.W. Griffin
Honorary Secretary	R.B. Stapells, Q.C.
Honorary Treasurer	R.W. Lewis

Directors

R.L. Armstrong
Warren Armstrong
Sir Arthur Chetwynd
Fraser Deacon
G.W. Goldring
Peter Hermant
J.D. Herrick
C.C. Hoffman
John Irwin
P.W. Hunter
A.J. Langley
H.M. MacDougall
D.G. Neelands
J.H. Potts, Q.C.
John M. Thompson

BENEFACTORS

(May 1, 1979 to April 30, 1980)

Alberta Gas Trunk Lines
Algoma Central Railway
A.E. Ames & Company Ltd.
Arthur Andersen & Company

Bank of Nova Scotia
Bralorne Resources Ltd.
Brascan Ltd.

Canada Packers Ltd.
Canada Steamship Lines Ltd.
Canadian General Electric
Canadian Imperial Bank of Commerce
Canadian Reinsurance Co.
Commercial Union Assurance Co.
Continental Group of Canada Ltd.
Crédit Foncier-Franco Canadien

Dale & Co. Ltd.
Dominion Group Foundation

Erco Industries

The First Canadian Bank

General Mills Canada Ltd.
Grafton Group Ltd.
Guaranty Trust Co. of Canada

Harlequin Enterprises Ltd.

Imperial Oil Ltd.
Imperial Optical Co. Ltd.
A.B. Irwin

Jackman Foundation

Kodak Canada Ltd.

Labatts Breweries of Canada Ltd.
B.J. Legge
M. Legge
R.W. Lewis

Madsen Red Lake Gold Mines Ltd.
Maple Leaf Mills Ltd.
Merrill Lynch Royal Securities Ltd.
R.W. Misener

Peoples' Jewellers Ltd.

Redpath Industries Ltd.
Richardson Securities of Canada

Rothmans of Pall Mall Canada Ltd.
Royal Bank of Canada
Royal Insurance Company of Canada
Royal York Hotel

Southam Inc.
R.B. Stapells
Sumcot Development Corp. Ltd.

Talcorp Services Ltd.
Toronto Dominion Bank
Transcanada Pipelines
Tupperware of Canada

Victoria & Grey Trust Co.

Hiram Walker & Sons Ltd.
Westcoast Transmission Ltd.
Wood Gundy Ltd.
Gordon D. Wotherspoon

DONORS

Adamson Associates
Continental Bank of Canada
Fraser Deacon
Marvin Gelber
George M. Hargraft
Robert H. Hilborn
Charles C. Hoffman
Rabbi David Monson
National Life Assurance Co. of Canada

AUDITORS' REPORT

To the Members of
The Empire Club Foundation

We have examined the balance sheet of The Empire Club Foundation as at April 30, 1980 and the statement of income and expenses and deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards and included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of The Empire Club Foundation as at April 30, 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

SMITH, NIXON & CO
CHARTERED ACCOUNTANTS

TORONTO, July 21, 1980

THE EMPIRE CLUB FOUNDATION

BALANCE SHEET AS AT APRIL 30, 1980

	1980	1979
ASSETS		
Current Assets		
Bank	$ —	$ 5,202
Deferred year book expense	793	967
	$ 793	$ 6,169
LIABILITIES		
Current Liabilities		
Bank - overdraft	5,746	—
Accounts payable	10,625	7,656
	$16,371	$ 7,656
MEMBERS' DEFICIENCY		
Deficit	15,578	1,487
	$ 793	$ 6,169

Signed on behalf of the Board

B.J. Legge } Directors
R.W. Lewis }

See accompanying note.

THE EMPIRE CLUB FOUNDATION

STATEMENT OF INCOME AND EXPENSES AND DEFICIT FOR THE YEAR ENDED APRIL 30, 1980

	1980	1979
Income		
Donations —		
The Empire Club of Canada	$ —	$ 9,000
Other	16,959	16,005
Interest earned	36	10
	$16,995	$25,015
Expenses		
Stationery and postage	551	548
Year book expense	30,535	25,732
	$31,086	$26,280
Excess of income over expenses (expenses over income) for the year	(14,091)	(1,265)
Deficit — beginning of year	1,487	222
Deficit — end of year	$15,578	$ 1,487

See accompanying note.

NOTE TO FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30, 1980

SIGNIFICANT ACCOUNTING POLICIES

(a) The Foundation recognizes income from donations when received.

(b) The Foundation recognizes other income and expenses as earned or incurred.

THE EMPIRE CLUB FOUNDATION
75th ANNIVERSARY FUND

AUDITORS' REPORT

To the Members of
The Empire Club Foundation

We have examined the balance sheet of The Empire Club Foundation — 75th Anniversary Fund as at April 30, 1980 and the statement of income and expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of The Empire Club Foundation — 75th Anniversary Fund as at April 30, 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

SMITH, NIXON & CO
CHARTERED ACCOUNTANTS

TORONTO, July 21, 1980

THE EMPIRE CLUB FOUNDATION
75th ANNIVERSARY FUND

BALANCE SHEET AS AT APRIL 30, 1980

	1980	1979
ASSETS		
Current Assets		
Bank	$ 9,122	$ 2,362
Accounts receivable	793	—
Inventory of books — at cost	5,533	—
Deferred 75th Anniversary book expense	—	8,000
	$15,448	$10,362
LIABILITIES		
Current Liabilities		
Accounts payable	$11,660	$ —
MEMBERS' EQUITY		
Equity	3,788	10,362
	$15,448	$10,362

THE EMPIRE CLUB FOUNDATION
75th ANNIVERSARY FUND

STATEMENT OF INCOME AND EXPENSE
FOR THE YEAR ENDED APRIL 30, 1980

	1980	1979
Income		
Book sales	$ 7,093	$ —
Donations	4,465	10,333
Interest earned	—	29
	$11,558	$10,362
Expense		
Books	18,127	—
Other	5	—
	18,132	—
Excess of income over expense (expense over income)	(6,574)	10,362
Equity — beginning of year	10,362	—
Equity — end of year	$ 3,788	$10,362

Note:

The Foundation is committed to purchase an additional 1,000 copies of the 75th Anniversary publication for a cost of approximately $5,830.

Signed on behalf of the Board

B.J. Legge }
R.W. Lewis } Directors

EMPIRE CLUB OF CANADA
75TH ANNIVERSARY FUND CONTRIBUTORS
MAY 1st, 1979 to APRIL 30th, 1980

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ADDENDA TO INDEX, 1903-1979
LOYAL SOCIETIES DINNERS

The following list was omitted from the comprehensive index of speakers and speeches published in the 1978-1979 Yearbook.

Dinner in honour of the Honourable J. Keiller MacKay, Lieutenant Governor of the Province of Ontario, 18 February, 1963.

Diamond Jubilee Dinner with an address by the Right Honourable Sir Alex Douglas-Home, Prime Minister of Great Britain and Northern Ireland, 11 February, 1964.

Royal Visit Dinner in honour of the Toronto Scottish Regiment and the Royal Canadian Military Institute, 24 June, 1965.

The Unsinkable Commonwealth — an address by Earl Mountbatten of Burma, joint meeting of the Royal Canadian Military Institute and The Empire Club of Canada, 11 July, 1967.

Loyal Societies Dinner in honour of Princess Alexandra, 18 October, 1967.

Dinner in honour of the Toronto Scottish Regiment, in the presence of Her Majesty Queen Elizabeth the Queen Mother, by the Loyal Societies and Officers of the Toronto Garrison, 26 June, 1974.